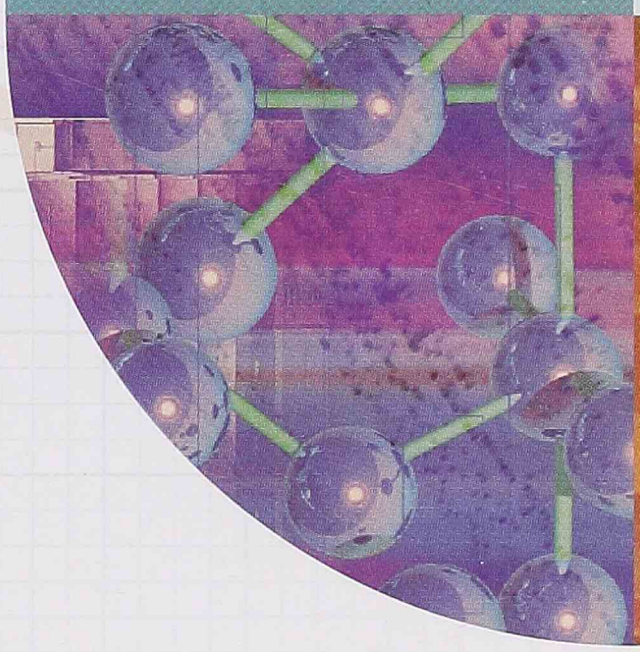
UCSD CONNECT

Life Sciences & High-tech Financial FORUM



April 8, 2004
Sheraton San Diego Hotel & Marina
East Tower
8:00 a.m. – 7:30 p.m.

Many Thanks to our Lead Sponsors:

Pfizer

MoFo
MORRISON & FOERSTER LLP
Lawyers for the global economy℠

UCSD CONNECT™
where entrepreneurs come for results

April 8, 2004

Dear Attendees:

On behalf of CONNECT, we would like to welcome you to the 2004 Life Sciences and High-Tech Financial Forum. This year's Forum showcases the strength of San Diego's entrepreneurial spirit within the life sciences industry. The 35 companies that have been selected to present, represent some of the strongest and most innovative technologies.

We would like to especially thank our Keynote Speaker, John S. Taylor, vice president of research, National Venture Capital Association.

Our thanks must also go to all of our Forum sponsors and supporters, including our Lead Sponsors, Pfizer and Morrison & Foerster LLP. While these companies financially support the program, it is the many hours of work soliciting applications, reviewing business plans and coaching our presenters, which make the 2004 Financial Forum a successful event. We thank our sponsors for donating their time and supporting San Diego's growing companies.

Sincerely,

Greg Horowitt
Interim Director

Brian Macias
Program Manager

Table of Contents

Agenda

7:30 a.m. Registration Opens

8:00 a.m. Welcome - Greg Horowitt, Interim Director of CONNECT

8:05 a.m. Opening Remarks

8:20 a.m. Inventors' Breakfast Presentations - *Harbor Island Ballroom 2*

9:30 a.m.

Harbor Island Ballroom 2
- Accumetrics
- ChemNavigator, Inc.
- GeneOhm Sciences, Inc.
- NeuroMark Genomics
- RegeneMed, Inc.
- Aciont, Inc.
- Vascular BioSciences

Harbor Island Ballroom 1
- Stics, Inc.
- PureSight, Inc.
- Objectiva Software Solutions
- CVT, Inc.
- iGolf technologies, Inc.
- Biomatrica

10:40 a.m. Morning Break

11:10 a.m.

Harbor Island Ballroom 2
- DermAegis
- Adaptive Therapeutics, Inc.
- Auspex Pharmaceuticals, Inc.
- Chimerix, Inc.
- Diakron Pharmaceuticals
- Halozyme Therapeutics, Inc.

Harbor Island Ballroom 1
- Aperio Technologies, Inc.
- Novatron, Inc.
- BioVigilant Systems, Inc.
- Visioneered Image Systems
- Tech Air
- RJE Technologies, Inc.

12:10 p.m. Lunch - *Lanai Terrace (outdoor patio)*

1:25 p.m. *Harbor Island Ballroom 2*

Keynote Speaker - John S. Taylor, vice president of research, National Venture Capital Association.

2:40 p.m.

Harbor Island Ballroom 2
- MaxoCore Pharmaceuticals
- Mixture Sciences, Inc.
- Mpex Pharmaceuticals
- NexBio
- Orphagen Pharmaceuticals
- Targeted Molecules Corporation

Harbor Island Ballroom 1
- Sicommnet
- Wellspring International
- Extricom
- Air-Trak

funded!

3:50 p.m. Close of Presentations

4:00 p.m. Exhibit Hall Reception

7:30 p.m. Close of Exhibit Hall Reception

Ed Holmes / Dean UCSD Health Science
Sch of Med, Pharma, Med Enterprise

Gap → Post NIH & pre SEED

→ Translational Medicine "TransMed"
• UC Connect, Tech Transf, Sch of Med
Benchmarks for phased funding → requests for partnering proposal —
→ 5 "finalists" to commercially
Forward tools one / "Virtual Co"

Institute for Molecular Medicine — Kin Chen MD PhD
partnerships w/ ~~foundations~~ philanthropies — gap x years
→ take clinical research → into cures —

"It takes a Village"

Ex: Biologically Targeted Heart Failure
→ gene therapy / major unmet need
— "rescues" by cancelling action of an inhibitor —
If source for cardiac stem cells (not bone marrow) would restore cardiac function

presenters

InsitioPharma — Burnham StartUps incubating —
→ InsitioPharma, EphrinRx
→ Engineered protein therapeutics — Glycan Therapeut, Biodefense
most mature Co. — Apoptosis Co. — ready

Insitio = to Graft
Graft surface loops into proteins = create new binding function.
Mkt for protein therapeutics → 29 approved drugs in mkt
$47b sales/yr
2 apps — improve half life of existing proteins (extend patent protect) or — novel therapeutics
Expanding 10x offer future

TSRI largest research nonprofit in world (Florida)
Scripps → Expression of Human Proteins — safe to eat
Rincon Pharmaceuticals — Proteins produced in algae well function as well as biologics produced in more expensive media
Demand for antibody therapies ↑ — time ~~[illegible]~~ culture
$150–$1,000/gram = Current cost to produce

UCSD CONNECT Financial Forum

General Information

Your Name Badge will admit you to the Presentations, Lunch and Evening Reception for which you have registered. Please wear you Name Badge at all times during the meeting. If you lose your Name Badge, please notify a staff member at the Forum Registration Desk.

Presentations

Each presenting company will make an eight-minute presentation. The Inventor's Breakfast presentations will take place in the Harbor Island 2. All venture presentations will take place in the Harbor Island 1 and 2. High-Tech presentations will take place in Harbor Island 1, and Life Sciences presentations will take place in Harbor Island 2. The rooms available for private meetings include the Seabreeze 1, Seabreeze 2, and Marina 6. Please check with the registration desk to schedule these rooms throughout the day. The rooms will be scheduled on a first come, first served basis and will be limited to 30-minute sessions when others are waiting.

Meals

Breakfast and Lunch, as well as the Networking Tabletop Reception are included with your registration to the Forum. Lunch will be served on the outside terrace on the harbor. Please see the agenda for specific times and locations.

Salk w/ U Kentucky –

Allylix – unexploited natural product class
↳ Terpenes
– Libraries of unique small molecules "scaffolds"
– unique biosynthetic approaches
Scalable fermentation platform to product

for Nord

Proprietary product –
Kosan, Diversa, Maxygen

* Quantities in nature very small –
* Creation of large Enzyme Array

Efficacy of Terpenes
Taxol → Chemo agent
– Artimesia – anti malaria
– Patherin – anti prostate
– Sugar substitute
* Flavor Enhancement industry

↳ Chemical Arrays (fermentation system
↳ scale + synthesize in lab
ideal starting points (in & for pharma process

IP
Biocatalysts
Diversification
Product platform

UCSD CONNECT™
where entrepreneurs come for results

Map of Hotel

Sheraton San Diego
HOTEL & MARINA

THE TOTAL SHOW BY FREEMAN
www.totalshowcase.com

UCSD CONNECT™
where entrepreneurs come for results

Keynote Speaker

John S. Taylor, Vice President of Research, National Venture Capital Association.

John S. Taylor is vice president of research at the National Venture Capital Association (NVCA) which is based in the Washington, D.C. area. He is responsible for developing and overseeing association data and research efforts. The key element in this effort is the creation of a research consortium which was announced in 1998 involving the NVCA, Venture Economics and the Ewing Marion Kauffman Foundation. In December 2001, PricewaterhouseCoopers joined the team and the tri-branded MoneyTree survey became the definitive source for venture capital investment information. This team was created to ensure accurate, impartial, durable, and practical data on the venture capital and private equity industries. He joined the NVCA in 1996.

Taylor is frequently quoted by major newspapers and magazines on the subject of venture capital and private equity and has recently provided live commentary on CNBC, CNNfn, Bloomberg radio, and NPR Morning Edition.

Taylor's career began with the company now known as Accenture where he was a senior consultant advising small business clients. He has since held senior product manager and IT positions at both large and small organizations. At a national computer services provider, he helped develop a new generation of minicomputer and microcomputer products for the residential real estate industry.

He has served as a board member of both for-profit businesses and non-profit organizations. In 1998, he was awarded the Maryland Governors Citation for outstanding volunteer service. He recently joined the advisory board of the John Foster Center for Private Equity at the Amos Tuck School.

He received an MBA from the Amos Tuck School at Dartmouth College, and a B.S. in chemistry from Dickinson College.

UCSD CONNECT™
where entrepreneurs come for results

Advisory Committee Members

Dave Ahlgren
Entrée Wireless

Steve Austin
Swenson Advisors

Abi Barrow
UCSD Von Leibig Center

Ron Busick
KPMG

Carrie Carlander
Tech Coast Angels

Bill Carpenter
Tech Coast Angels

Frank Creede
Tech Coast Angels

Hal DeLong
Pharmaceutical Executive

Martha Dennis
Windward Ventures

John Dobak
Innercool

Peter Drees
Comerica

Melissa Fitzgerald
UCSD TTIPS

Jack Florio
Tech Coast Angels

Scott Foote
Comerica

Michael George
Tech Coast Angels

Jeremy Glaser
Cooley Godward

Bente Hansen
Bente Hansen Executive Search

Carlos Herredia
Morrison and Foerster

Guy Ianuzzi
Mentus

Ned Israelsen
Knobbe Martens

Craig Knox
Cooley Godward

Peter Korn
Westview Securities

Mike Krenn
Gray Cary

Jay Kunin
Tech Coast Angels

Chuck Lane
BIRN

Linda LeBeau
Silicon Valley Bank

Joe Lesko
Heller Ehrman

Michael Lutz
Tech Coast Angels

Don Madren
Pfizer

Ralph Mayer
Tech Coast Angels

Bart McDermott
SD Supercomputer Center

Mike Milligan
Barney & Barney

Anne O'Donnell
UCSD JSOE

Geoff Odell
Novartis

Tyler Orion
SD RTA

Barry Raspotnik
Ferris Britton

Trindl Reeves
Marsh

Bob Robb
Quorex Pharmaceuticals

Steve Rowles
Morrison and Foerster

Faye Russell
Clifford Chance

Bob Slapin
SDSIC

Jeff Southerton
Pfizer

Mark Steele
Gateway

Marco Thompson
WindRiver

Irene Veca
Ernst & Young

Christian Waage
Gray Cary

Vern Yates
Yates Ventures

Jay de Groot
Morrison and Foerst

Many Thanks to our Sponsors

Morrison & Foerster LLP
For Lead sponsorship

Pfizer
For Lead sponsorship

Comerica Technology & Life Sciences Division
Heller Ehrman White & McAuliffe LLP
Marsh
For Partnering sponsorship

San Diego Tech Coast Angels
Burnham Real Estate Services
Knobbe Martens, Olson & Bear LLP
For Contributing sponsorship

KPMG LLP
For hosting the High Technology Dry Runs

Ernst & Young LLP
For hosting the Life Science Dry Runs

San Diego Daily Transcript
For media sponsorship

Sun Microsystems
For Founding Sponsorship of Global CONNECT

Getting Deals Done for the Leaders in The Life Sciences Industry

From Financings

CancerVax

$41M
Series C
represented
Forward Ventures

CellBio Sciences

$14M
Series A

converge

$25M
Series D Round

HYPNION

$48M
Series B
represented
Forward Ventures

KÉMIA

$19M
Series A

MICRUS

$8M
Series D
represented HBM
Bioventures AG

SANTARIS PHARMA

$55M
Series D

Trellis Bioscience

$4M
Series A-1/A-2

Through Collaborations

CHIRON

Has licensed Cubicin
from
Cubist Pharmaceuticals

Fujisawa
New Medicines for New Times

Has licensed RSD1235
from Cardiome Pharma

GENELABS TECHNOLOGIES, INC.

Has licensed Japanese
rights to prasterone to
Tanabe Seiyaku Co., Ltd.

intercell
SMART VACCINES

Has acquired a
Japanese Encephalitis
vaccine program from
Vaccgen, Inc

To Capital Markets Transactions

AMERICAN PHARMACEUTICAL PARTNERS, INC.

$165M
Initial Public
Offering

connetics

$90M
of 2.25%
Convertible Notes
Rule 144A Offering

DEPOMED, INC.
Enhancing Pharmaceuticals

$34M
Public Offering
represented underwriters
Thomas Weisel, CIBC
World Markets and Punk,
Ziegel & Company

DYNAVAX
DYNAVAX TECHNOLOGIES

$51M
Initial Public
Offering

MORRISON & FOERSTER LLP

MoFo

Over 130 practitioners focused primarily on life sciences with more than $4 billion capital raised in the past 5 years.

For further information please
contact Jay de Groot at 858.720.5100

www.mofo.com


Pfizer in San Diego is committed to
fighting cancer, diseases of the eye,
diabetes and AIDS.
At Pfizer we know in our hearts
the only thing incurable is our passion.
Pfizer
Life is our life's work.
For more information on what Pfizer is doing to improve the quality of our lives,
visit us on the web at www.pfizer.com

The ambulance took a risk transporting the pregnant woman.

The hospital took a risk admitting the pregnant woman.

The manufacturer took a risk developing diagnostic equipment for the pregnant woman.

The ob-gyn took a risk attending to the pregnant woman.

The pharmaceutical firm took a risk producing fertility drugs for the pregnant woman.

And Marsh solved all these risks.

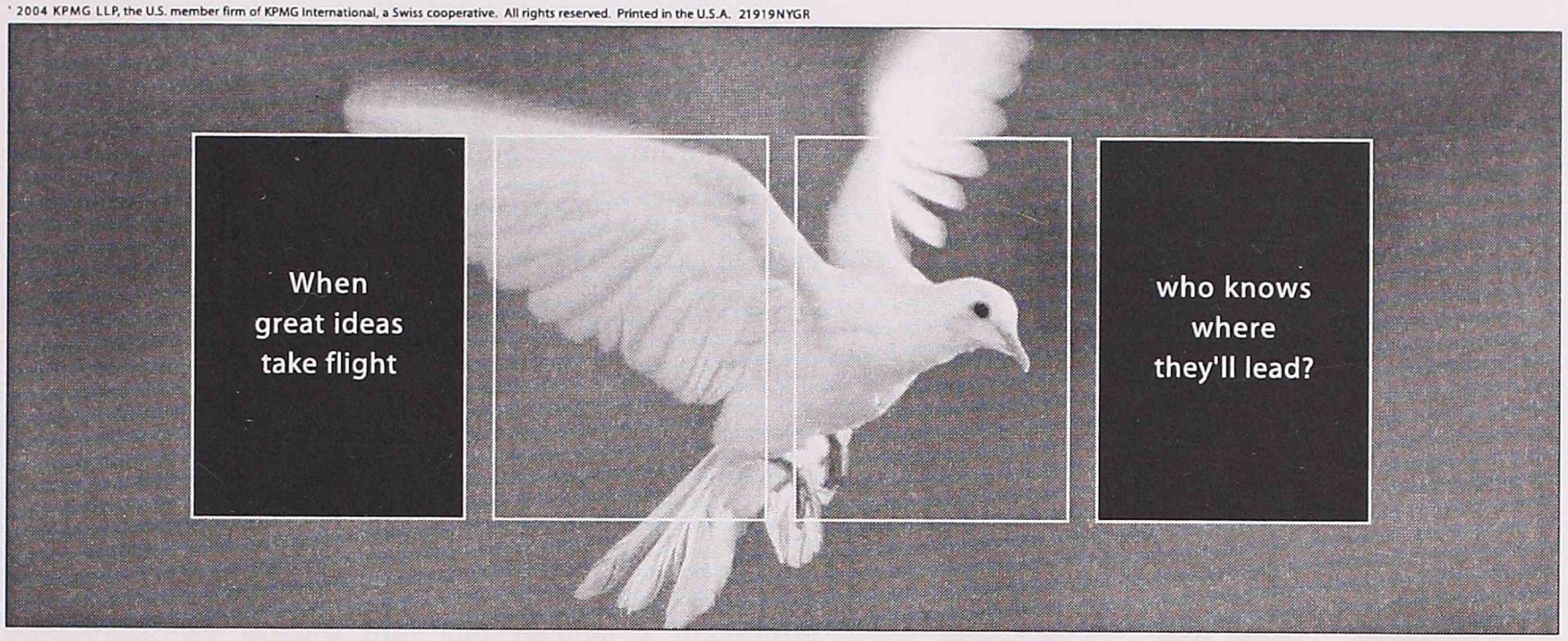
MMC Marsh & McLennan Companies

www.marsh.com

MARSH

The world's #1 risk specialist

4445 Eastgate Mall, Suite 300 San Diego, CA 92121 858.552.4200



www.us.kpmg.com

KPMG LLP is proud to sponsor the UCSD 2004 Life Sciences and High-Tech Financial Forum.

KPMG

Unlock Gridlock

Make Compute, Access, Data, and Visualization Grids work for you

With SPARC, Xeon, and Opteron Solutions Running Solaris and Linux

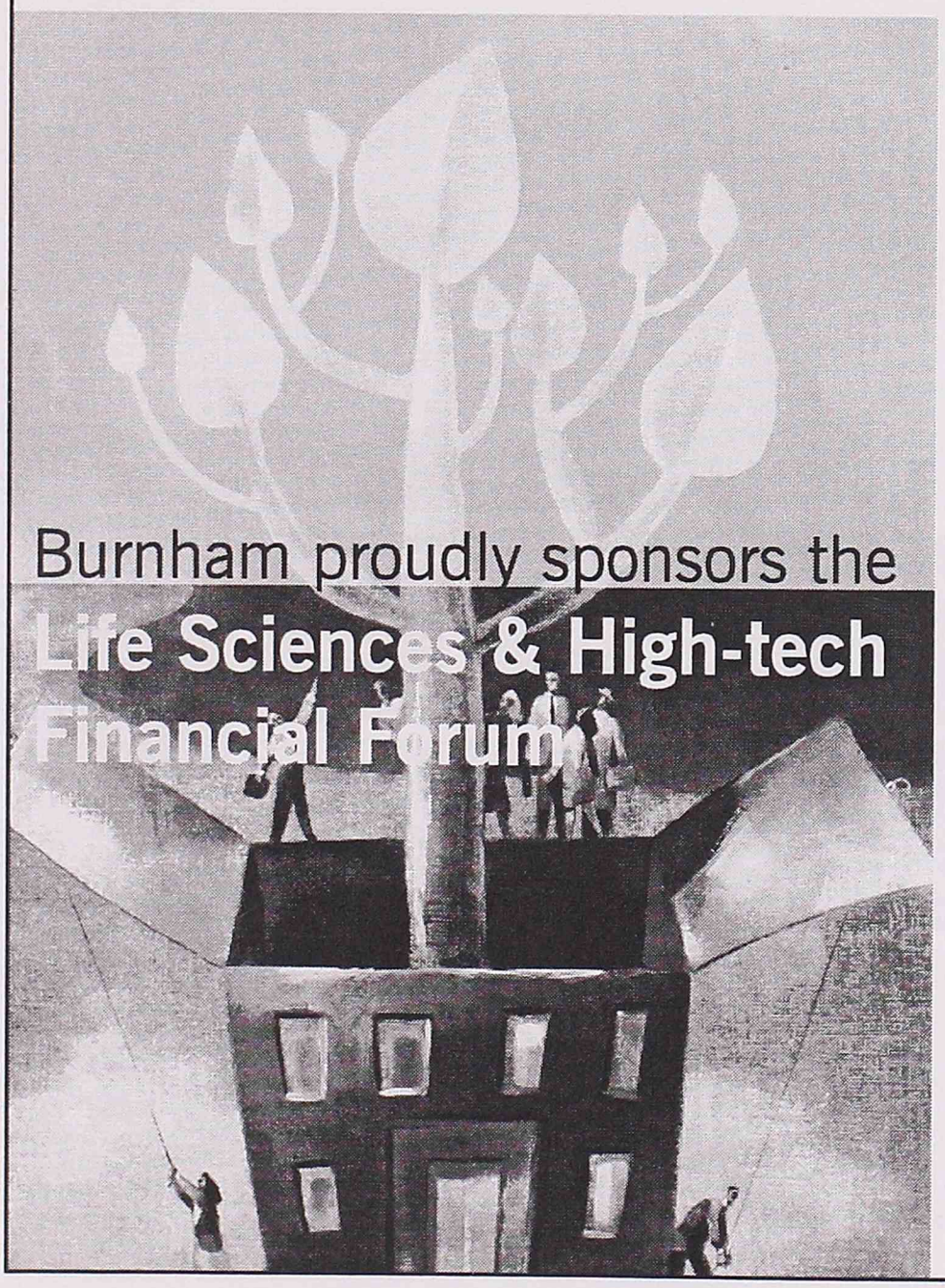
From Starter Clusters to Super Clusters, unlock the Grid with Sun.
www.sun.com/grideverywhere

Sun microsystems

Grow your Grid with our new Starter Cluster, an affordable, 19"-racked, ready-to-deploy system. Clusters can be pre-loaded with a suite of public algorithms and optional software from Sun and its partners... all at a lower price and a greater level of support than if they were purchased separately. We have solutions in any size. Visit us to learn more about Sun in Grid Computing.

www.sun.com/lifesciences

The **BURNHAM LIFE SCIENCES GROUP** is the region's most experienced real estate team specializing exclusively in meeting the needs of biotech and pharmaceutical companies in San Diego. Since 1982, we have played a key role in the growth of this dynamic industry, creating value for our clients by offering real estate solutions matching each particular growth strategy, location decision, and laboratory requirement. By coordinating unique building system requirements, such as air handling systems, clean room space, and vivarium facilities with your objectives, we ensure that you receive a maximum value during the lease term. We have worked with established and early stage companies, and non-profit research organizations such as: BiogenIdec, Amylin, CancerVax, Eli Lilly, Chimerix, Phenomix, Covx, Kalypsis, the La Jolla Institute for Molecular Medicine, and the Burnham Institute.



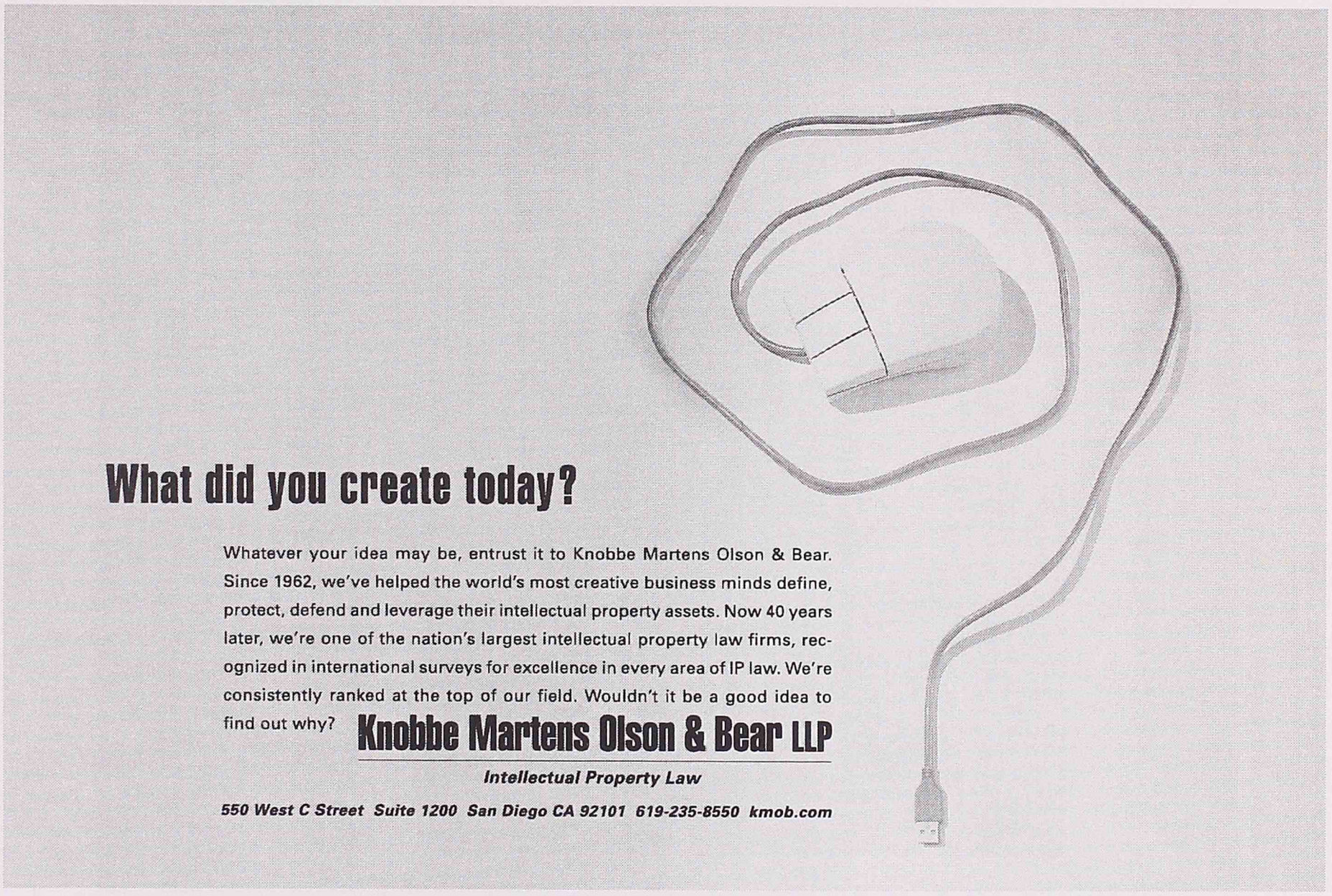
Burnham's involvement in professional organizations, innovative philanthropy, and volunteer programs are essential to our fundamental commitment to creating meaningful relationships in our community. This philosophy is based on an appreciation of, and respect for, the community that has been an integral part of Burnham's history since 1891.

This year we are proud to be a sponsor for the **UCSD CONNECT Life Science and High-tech Financial Forum**. The Burnham Life Sciences Group is committed to the success of the biotech industry in San Diego, and will continue to promote it at every opportunity.

BURNHAM
REAL ESTATE

858.452.6500
www.burnhamrealestate.com

san diego | la jolla | carlsbad | newport beach | los angeles | las vegas



What did you create today?

Whatever your idea may be, entrust it to Knobbe Martens Olson & Bear. Since 1962, we've helped the world's most creative business minds define, protect, defend and leverage their intellectual property assets. Now 40 years later, we're one of the nation's largest intellectual property law firms, recognized in international surveys for excellence in every area of IP law. We're consistently ranked at the top of our field. Wouldn't it be a good idea to find out why?

Knobbe Martens Olson & Bear LLP

Intellectual Property Law

550 West C Street Suite 1200 San Diego CA 92101 619-235-8550 kmob.com

San Diego
Tech Coast Angels

Financing the future:
Smart money for emerging companies

- TCA's membership is comprised of more than 200 individual angels investors linked through networks in Los Angeles, Orange County and San Diego
- Members of the Tech Coast Angels have personally invested more than $49 million in 74 companies since the group's founding in 1997
- Those 74 companies who have received angel funding have also received $499 million in additional funding from other investors in both initial and follow-on rounds

www.techcoastangels.com

UCSD CONNECT™
where entrepreneurs come for results

Presenting Companies
(In Order of Presentation)

UCSD CONNECT™
where entrepreneurs come for results

Life Science Presenting Companies

19	Accumetrics
21	ChemNavigator, Inc.
24	GeneOhm Sciences, Inc.
26	NeuroMark Genomics
29	RegeneMed, Inc.
32	Aciont, Inc.
35	Vascular BioSciences
38	DermAegis
41	Adaptive Therapeutics, Inc.
43	Auspex Pharmaceuticals, Inc.
46	Chimerix, Inc.
49	Diakron Pharmaceuticals
51	Halozyme Therapeutics, Inc.
56	MaxoCore Pharmaceuticals
59	Mixture Sciences, Inc.
62	Mpex Pharmaceuticals
64	NexBio
67	Orphagen Pharmaceuticals
70	Targeted Molecules Corp.

Accumetrics

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Accumetrics has developed the VerifyNow System to test response to anti-platelet drugs used to prevent and treat heart attack and stroke. The company markets a first-of-its-kind test to evaluate aspirin resistance in patients taking daily aspirin. Accumetrics also markets a test for assessment of intravenous therapy with the class of agents known as GP IIb/IIIa inhibitors, and the company intends to launch a test for clopidogrel (Plavix®) response later this year. Each of these tests is designed to provide a new level of ease, rapidity and specificity to determine if patients are achieving adequate response to antiplatelet therapy, an important risk factor in protecting against major cardiovascular events.

Product/Technology Description:

The Ultegra System utilizes patented technology issued world-wide to perform the measurement of platelet function in whole blood. The Ultegra System can measure the rate and extent of platelet aggregation. In technical terms the System performs a turbidimetric measurement of agglutination of platelets to fibrinogen-coated micro-beads. The System consists of an instrument and disposable assay device designed to test a small blood sample. The System is rapid, accurate and sensitive, factory calibrated, requires no sample handling, FDA cleared, and reimbursed by Medicare and private payers.

Accumetrics has a strong product portfolio consisting of two FDA-cleared products, two products that are expected to be FDA-cleared in 2004 and several new products in research. One of these products, the Plavix test is also being currently sold as a research-use-only product (RUO) in the pharmaceutical and clinical research market. The products are positioned in large, rapidly growing markets in cardiology and neurology. The products are all reimbursed by Medicare (CPT code 85576) and private payers and have excellent profit margins.

Industry Overview:

The market for antiplatelet agents has expanded dramatically in recent years, based on the recognition of their overwhelming benefits in cardiovascular and neurovascular disease (stroke).

This group of agents includes:

- Aspirin - which has shown overwhelming benefits in preventing and treating stroke and cardiovascular disease;
- 2b3a inhibitors - intravenous agents (ReoPro sold by JNJ & Eli Lilly, Integrilin sold by Millenium and Schering-Plough Pharmaceuticals, and Aggrastat sold by Merck) for use in patients being treated in the hospital for unstable angina; and during cardiac catherization and stenting procedures; and
- Plavix - the newest oral antiplatelet agent with strong growth in the treatment of stroke and cardiac patients who don't respond to aspirin

Company Profile:

Address:
3985 Sorrento Valley Blvd
San Diego, CA 92121

Forum Participants:
Robert S. Hillman

Phone:
(858) 404-8238

Fax:
(858) 643-1605

Sector:
Biomedical

Homepage:
www.accumetrics.com

Legal Form:

Amount of Capital Raised:
$9 million

Date Established:
2/01/2003

Funding Sought:

Number of Employees:
25

Current Investors:
Private
Essex Woodlands
Healthcare Ventures
Fisher Healthcare

Stage of Development:
Marketed Products

However, it has also been recognized that there are issues of both safety (e.g., bleeding complications) and efficacy (lack of response to therapy leading to heart attacks and strokē) that require monitoring of these therapies.

The Accumetrics, Ultegra Family of Rapid Platelet Function Assays is positioned in the center of this rapidly growing market to address these critical issues.

Competition:

Dade Behring, Helena Diagnostics

Distribution/Marketing Plans:

Fisher Healthcare (hospital market), Physician Sales and Services (Doctors office market)

Fifth Year Revenue & Earning Projections:

Fifth year sales projections: 2007 $50Million +

Cash flow positive in 2005

Management Team:

Robert Hillman, CEO & President, Director, Co-founder (SYVA, Biotrack, Gensia, ActivX Biosciences)

Denis Durbin, Vice President of R&D, Co-founder (Beckman Instruments, Biodynamics, Protocol Systems)

Duane Durbin, Vice President, Operations

John Lankford, Vice President of Sales (Biosite, Abbott Diagnostics)

Fred Ahmuty, Director of Manufacturing (Biosite Diagnostics)

Jack Lief, Director (CEO, Arena Pharmaceuticals)

Gary Stroy, Director (Co-Founder, LifeScan, Abaxis, Biotrack)

Chuck Patrick, Director (Former VP Sales & Marketing, Biosite)

Stephen Ferruolo, Director Partner (Heller Ehrman)

Accumetrics was originally founded in 1996 to develop high impact diagnostic tests for intravenous and oral antiplatelet agents in the cardiovascular and neurovascular marketplace. The company was subsequently sold to Radiometer Denmark, a company specializing in blood-gas monitoring, which did not find the expected synergies with their existing business.

The current management team let a buyout of Accumetrics assets from Radiometer in early 2003. Accumetrics has an experienced management team including directors with significant experience in starting successful diagnostic companies including Biotrack (sold to Boehringer Mannheim), Lifescan (sold to JNJ), and Biosite. Supplementing the management team, is a respected clinical advisory board including Eric Topol, M.D., who has led many important clinical trials of antiplatelet agents, and Barry Coller, M.D., the inventor of ReoPro a drug sold by JNJ with over $500 million in sales and the inventor of some of the initial technology licensed by Accumetrics.

ChemNavigator, Inc.

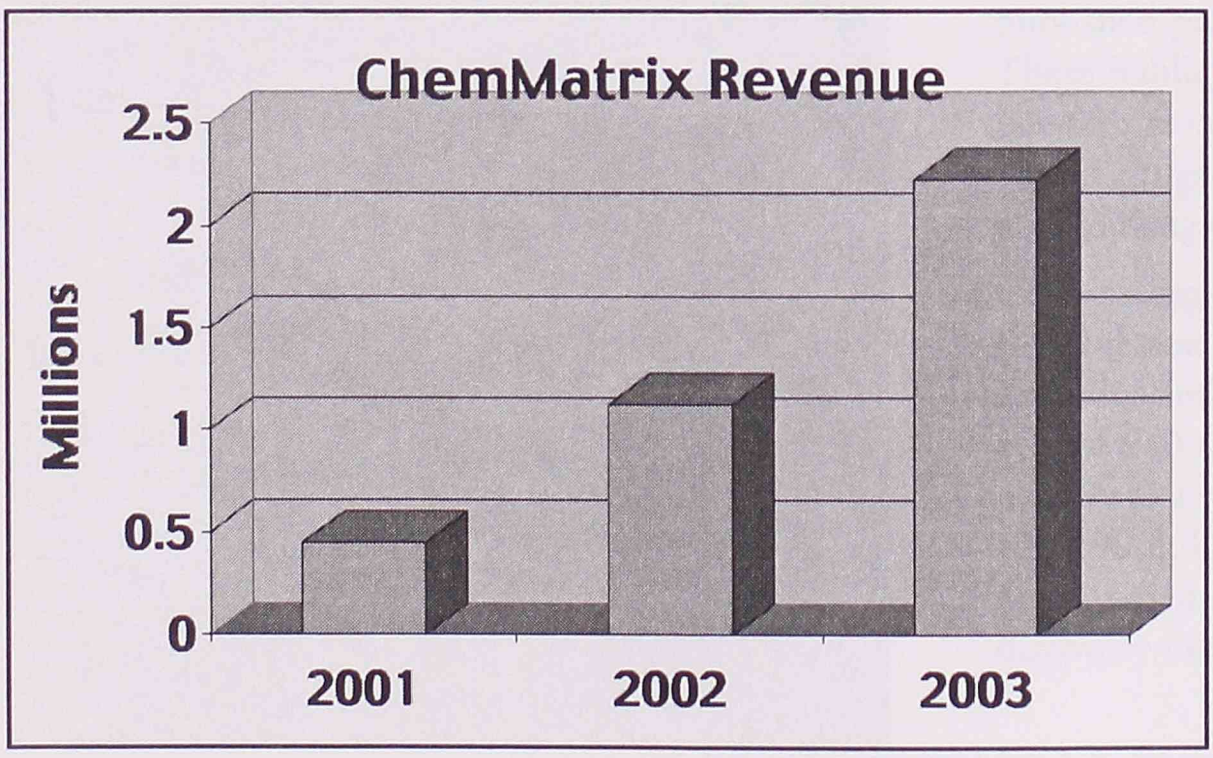
UCSD CONNECT™
where entrepreneurs come for results

ChemNavigator is a privately held pharmaceutical research company focused on drug discovery using our proprietary proteomics and cheminformatics technologies, called 3-DPL™ Map and ChemMatrix™. We have developed a balanced risk business model using these technologies, which enables us to generate near term supporting revenues, positive operational cash flow in 2004 and more substantial future revenues and cash flows from the discovery of novel drug compounds. Our competitive advantage is our unique ability to identify and analyze, with unmatched speed, the biochemical relationships that exist between a potential drug compound and an entire drug target molecule. Our technology allows for more efficient and cost effective drug discovery by providing the ability to screen tens of millions of potential drug compounds in silico in order to rapidly identify those compounds with a high likelihood of showing favorable activity in subsequent biological assays. This is performed at a fraction of the cost and time of traditional drug discovery strategies. In addition, because 3-DPL Map examines the entire surface of the drug target, it allows us to identify potent and selective drug leads that are often overlooked by other techniques that do not consider the entire drug target surface. Overall, we believe we provide a comprehensive solution to lead discovery which is better than not only traditional random high-throughput screening, but also other less-advanced proteomics and cheminformatics techniques.

ChemMatrix Products & Services

We save our clients millions on R&D costs in lead drug compound discovery.

The ChemMatrix suite of technologies and products is now used by over 1000 researchers at more than 30 pharmaceutical and biotechnology companies worldwide and has generated annual gross revenues of over $2.21 million in 2003 and cumulative gross revenues of $3.79 million since the introduction of ChemMatrix Products in 2001. The flagship commercial product is the iResearch™ System, which provides access to the world's largest and most accurate database of commercial-



Company Profile:

Address:
6126 Nancy Ridge Drive
Suite 117
San Diego, CA 92121

Forum Participants:
Mr. Scott Hutton,
President & CEO

Phone:
(858) 450-9740

Fax:
(858) 625-2377

Sector:
Biotechnology / Drug Discovery

Homepage:
www.chemnavigator.com

Legal Form:
Corporation

Amount of Capital Raised:
$7.8 Million

Date Established:
May 1999

Funding Sought:
$5 - $10 Million

Number of Employees:
10

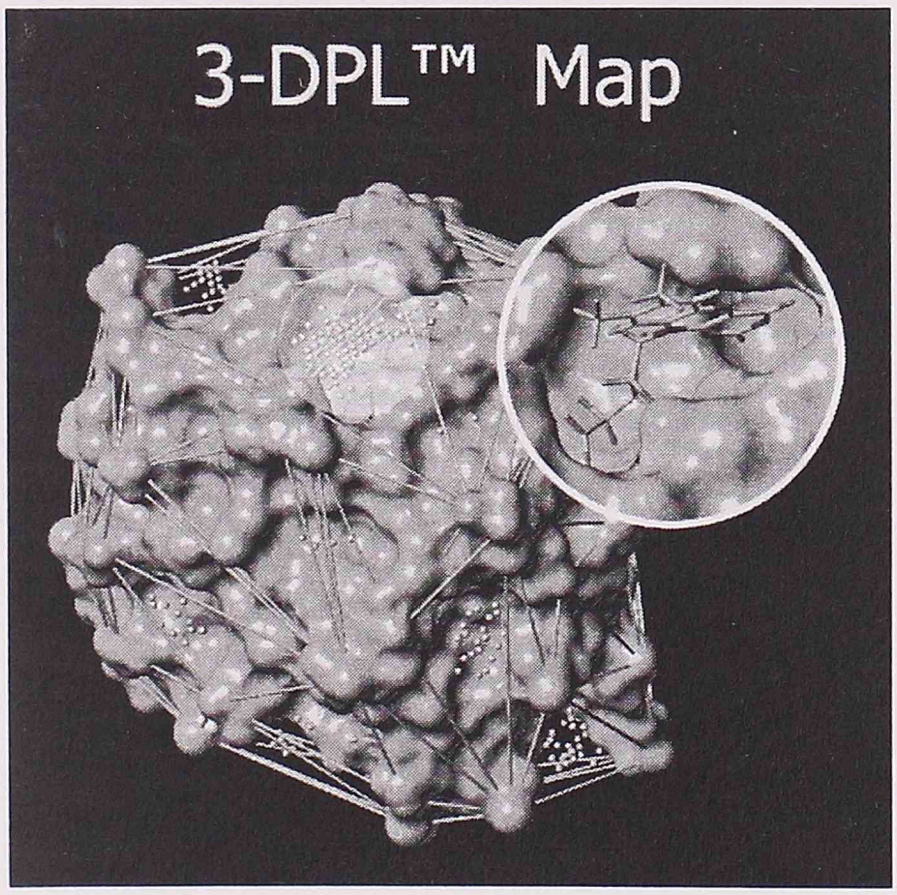
Current Investors:
Arena Pharmaceuticals
LION bioscience
United Overseas Bank
3V Source One Ventures
Castle Rock Ventures
YFY Global

Stage of Development:
Established Core Business
Developing Discovery Business

ly-accessible chemical samples for drug discovery. **The iResearch System Library currently tracks over 14.8 million potential drug compound samples** from sources all over the world and is continually updated with an average of over 1 million sample updates per month. This unique system provides drug discovery researchers access to chemistry and chemical samples from around the world at a fraction of the cost and time of traditional drug discovery strategies.

Structure Guided Drug Discovery: We discover new potential drugs through 3-DPL™ Map Virtual Screening.

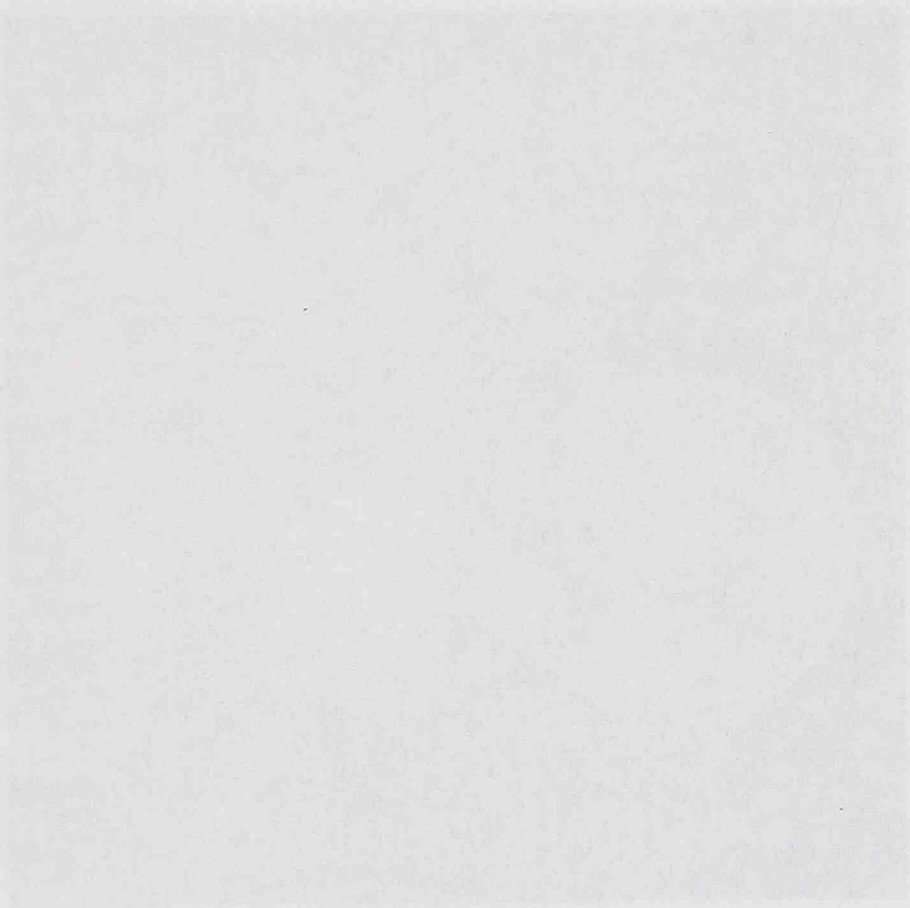
Our most advanced proprietary technology, 3-DPL Map, is a proteomics technology that is complementary to our existing ChemMatrix cheminformatics technology. 3-DPL Map rapidly identifies, in silico, samples contained within any chemical library, including the iResearch System Library, that are likely to interact with a drug target by creating a proprietary map of the 3-D molecular fields surrounding the entire protein. This field map is used to filter through millions of potential drugs at a rate of 15 per second using only a single 1.5 GHz processor computer. Unlike all other 3-D virtual screening systems, 3-DPL Map does not require any a priori knowledge of the protein's surface or natural binding site. Its unmatched speed and novel approach of comparing each drug-like compound to the entire protein surface enables a quantum leap forward in exploitation of the valuable information available in 3-D protein models for drug discovery. Our scientific validation studies show 3-DPL Map provides a 24-fold improvement in the identification of biologically active compounds over the traditional diverse library screening techniques applied in drug discovery today.



In March 2003, based upon the strength of the 3-DPL Map technology, **we announced our first virtual screening collaboration with Chiron Corporation**, a world leader in the use of next-generation technologies to develop successful drugs. This collaboration serves to further the scientific validation of 3-DPL Map and to identify new treatments for Hepatitis C, based upon Chiron's proprietary Hepatitis C Virus (HCV) drug target. In the course of the collaboration, Chiron will pay milestone and success fees as key research goals are achieved. In the future, 3-DPL Map will continue to form the basis of our drug discovery collaboration business in which we will perform in silico biological screening for collaboration partners in exchange for milestone payments and future drug royalties.

Our Opportunity: The cost of discovery, development, and marketing of new drugs has increased dramatically. At 20% of revenue, over 30 billion dollars is spent annually on drug discovery and development. Three key events have come together to provide an opportunity for ChemNavigator to revolutionize drug discovery & development.

1. **Rapid Growth in Published 3D Protein Targets:** The government sponsored Protein Data Bank (PDB) is expected to grow from its current level of 18,000 protein structures to over 35,000 published protein structures in the next 5 years. These publicly available protein models form the basis for revolutionizing how new selective and potent drugs are identified through structure guided drug discovery.
2. **Continuing High Failure Rate of New Drug Candidates:** The failure rate of new candidate drugs in clinical trial continues to climb with a cost of $40 to $50 million per failure. These failures form a substantial component of the estimated $800 million spent per drug in discovery & development. 3-DPL Map structure guided drug discovery may be applied to avoid these failures.



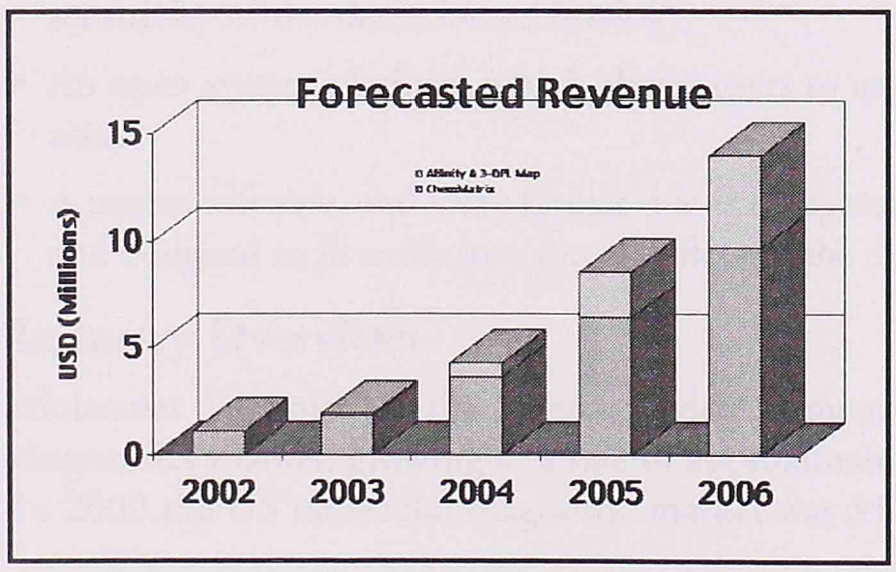
3. **ChemNavigator 3-DPL™ Map Technology Receives US Patent Protection:** In December of 2003, ChemNavigator 3-DPL Map virtual screening technology received initial patent protection in the US and we expect additional patents to follow. This protects our unique opportunity to apply our 3-DPL Map technology along with the PDB to solve the drug failure rate problem through our new Affinity Project.

The Affinity Project: We are developing the world's largest structure guided drug discovery system.

Based on this opportunity, we have recently embarked on the Affinity Project, an unprecedented effort that incorporates ChemMatrix and the speed and capabilities of the 3-DPL Map technology to map all commercially accessible drug-like compounds to all published 3-D protein models of drug targets. The goal of the Affinity Project is to provide a comprehensive and dynamically growing map linking newly discovered protein targets to new lead compounds. Knowledge of biochemical relationships between all accessible drug-like chemistry and drug targets will reveal unparalleled commercial opportunities for new drug development. The Affinity Project will allow ChemNavigator to identify when candidate drug compounds are likely to exhibit adverse side effects in clinical trials.

Gross Revenues

We expect to generate gross revenues of $8.5 million in our 5th year of operations (2005) including contributions from our ChemMatrix business and our 3-DPL Map Virtual Screening. In addition, by the close of 2005 we will have established 7 Affinity Project based drug discovery programs leading to potential future drug royalties.



Our Management Team

We have assembled a management team with over 50 years of combined experience in cheminformatics, chemistry, marketing, business development and management of software development projects. With over 15 years of related experience each, our co-founders, Scott Hutton and Dr. Tad Hurst both spent ten years with Tripos Inc., a leading computer-aided molecular design company. As Vice President, General Manager of the Discovery Software Business at Tripos, Mr. Hutton was responsible for all software development, sales, marketing and customer support for the drug discovery software business unit. As Vice President, Software Development and Research, Dr. Tad Hurst was responsible for the design and development of new software systems for drug discovery. One of Dr. Hurst's key accomplishments was the management of a consortium of 15 pharmaceutical companies for the design and development of a revolutionary new 3-D chemical structure search system called the UNITY System. Other than technology developed at ChemNavigator, the UNITY System remains the premier 3-D pattern searching system used in structure-based drug design. As former Vice Presidents with Tripos, Inc., co-founders Mr. Hutton and Dr. Hurst posses the correct industry experience to guide ChemNavigator to success in this challenging, but opportunity-filled market.

We are confident that we have built the right team to capitalize on the substantial scientific and financial opportunities available in the post-genomic drug discovery market. To date, we have established a growing revenue stream based upon our unique cheminformatics products and services, and have initiated our first virtual screening collaboration based on 3-DPL Map with Chiron Corporation in early 2003. We intend to raise additional funds to advance the development of 3-DPL Map and begin the Affinity Project.

GeneOhm Sciences, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

GeneOhm Sciences is a fast-growing molecular diagnostics company located in San Diego, CA. The company is applying its integrated, proprietary technology portfolio, which includes electrochemistry, sample processing, and chip fabrication, to serve the unmet diagnostic needs for a wide range of diseases including inherited diseases, cardiovascular diseases, infectious diseases and oncology. GeneOhm is planning to launch its first products in 2004.

Product/Technology Description:

Products: The platform and first two reagent products will be commercially launched in Q4 2004. The initial menu will include analyte specific reagents for single nucleotide polymorphisms (SNPs) linked to cystic fibrosis and coagulation disorders. The menu will be expanded across a broad range of applications including various inherited disease, cardiovascular disease, infectious disease and oncology targets.

The GeneOhm platform, which uses microelectrode arrays, provides a robust, cost-effective solution for rapidly addressing multiple analytes in molecular diagnostics assays. The platform is an open system, which enables rapid development of new multiplexed assays, allowing laboratories to quickly and cost effectively bring up tests to meet the needs of their specific patient and clinician base.

Technology: GeneOhm Sciences has developed a proprietary platform for multiplexed molecular diagnostics. It combines efficient protocols for processing patient samples with electrochemical readout of assay results. GeneOhm leverages the unique electrical properties of nucleic acids to identify genetic mutations that cause disease and to detect the RNA or DNA of pathogenic organisms. Using microelectrode arrays, the platform provides a robust, cost-effective solution for rapidly testing multiple analytes in molecular diagnostic assays.

The advantages of GeneOhm's platform include:

- Multiplexed, array based assays that test several different analytes in a single assay
- A platform capable of detecting SNPs and other sequence variations, as well as bacterial and viral DNA or RNA
- A binary readout that is unequivocal due to the high specificity and sensitivity of the detection technology
- An open system platform which allows users to quickly develop new assays
- A reader, software, and array format that is inexpensive, easy to use, and designed to fit easily into the workflow of the diagnostic laboratory

Industry Overview:

Molecular diagnostics is the fastest-growing segment of the in-vitro diagnostics market, growing at a rate of approximately 20% per year. In 2000 the US molecular diagnostic market was $1.3B, and expected

Company Profile:

Address:
6146 Nancy Ridge Drive
San Diego, CA 92121

Forum Participants:
Dr. Peter Klemm, President & CEO
J.C. Kyrillos, COO

Phone:
(858) 334-3600

Fax:
(858) 334-6301

Sector:
Molecular Diagnostics

Homepage:
www.geneohm.com

Legal Form:
Incorporated

Amount of Capital Raised:
$21.4 million

Date Established:
Jan. 10, 2001

Funding Sought:
$12 million

Number of Employees:
45

Current Investors:
Domain Associates
Collinson, Howe & Lennox
CB Health Ventures
CDIB

Stage of Development:
Product Development

to grow to $4.2B by 2007 (Frost & Sullivan). Higher growth rates are expected as more SNPs are identified and molecular detection increases.

Molecular tests are currently used in addition to, or as replacements for, slower test methods. Additionally, these tests are used to acquire previously unavailable genetic information. Researchers are discovering new genetic markers which may serve as future indicators for disease predisposition as well as predictors for the effectiveness of therapeutic compounds.

Competition:

Applied Biosystems

Roche Diagnostics

Third Wave Technologies

Management Team:

Dr. Peter Klemm, Chief Executive Officer
Dr. Klemm is the former CEO of JOMED Inc., a major producer of intravascular medical devices. Prior to joining JOMED, Dr. Klemm was Sr. VP of R&D at Gruenenthal GmbH, a major European Pharmaceutical Company. Dr. Klemm previously held the position of Senior Scientist at AVENTIS. He holds a Ph.D. in Pharmacology.

Donald Crothers, Ph.D., Chief Scientist
Dr. Crothers is the former Sterling Professor of the Department of Chemistry and Molecular Biophysics and Biochemistry at Yale University. A leading authority on the biophysical chemistry of nucleic acids, Dr. Crothers is a member of the National Academy of Sciences and the American Academy of Arts and Sciences.

Jean-Claude Kyrillos, Chief Operating Officer
Mr. Kyrillos has 19 years of Wall Street, finance and general management experience. He has worked at Merrill Lynch, at First Boston as VP Convertible Institutional Sales, and held senior management positions at Honeywell/AlliedSignal, including 3 years in Hong Kong as CFO of a $500M revenue division. He was also CFO of Oluma, a venture capital backed photonics chip company. Mr. Kyrillos has a BA with Honors from Colgate Univ. and an MBA from Harvard Business School.

R. Erik Holmlin, Ph.D. Founding Scientist, Senior Director of Technology
Dr. Holmlin has a Ph.D. in Chemistry from the California Institute of Technology where he worked under Professor Barton. His research focused on the electrical properties of DNA and their sensitivity to DNA mutations. Dr. Holmlin was a NIH Postdoctoral Fellow with Professor George Whitesides at Harvard University, researching design and fabrication of organic surfaces for biochips and the electrical properties of organic thin films. He has authored over 20 publications.

Scott Conradson, Vice President of Development
Mr. Conradson held senior management positions at Perlegen Sciences, Becton-Dickinson BioSciences, and co-founded Hewlett-Packard's BioScience Division. Under his direction, H-P partnered to develop the Affymetrix GeneArray® Scanner and initiated development of HP's own DNA microarray system. Mr. Conradson holds a MSEE from Santa Clara Univ., a BSME from Cal Poly San Luis Obispo, and executive business training from Kellogg School at Northwestern Univ.

Steve Lundy, Vice President of Marketing and Business Development
Mr. Lundy has 15 years of sales and marketing leadership experience in the diagnostics industry. Mr. Lundy began his career in sales with Dianon Systems and subsequently served in senior positions with AVL Medical Instruments (acquired by Roche), Bayer Diagnostics and Esoterix. Mr. Lundy has led several high growth initiatives in both the diagnostic products and laboratory services arenas. He has a BS in engineering from the United States Air Force Academy.

NeuroMark

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

NeuroMark is committed to becoming a worldwide leader in high value-added genetic diagnostics for neuropsychiatric disorders and behavioral traits, and after achieving sustainable growth and profitable operations will develop innovative therapeutics derived from its genetic biomarker discovery program.

Product/Technology Description:

NeuroMark is within six months of market launch of the first-of-its-kind genetic screening test for susceptibility to stress-related depression and the first-of-its-kind genetic susceptibility test for anti-social behavior disorder. The company is developing a landmark genetic diagnostic test for Attention Deficit Disorder (ADD) and projects that it will apply for FDA approval within 18 months. Simultaneously, the company is developing a panel of genetic tests that will direct the physician to the most appropriate currently available medication for each individual patient. This "theranostics" (integrating diagnostics with therapeutics) panel will make it possible for the physician to identify co-existing conditions commonly found in neuropsychiatric disorders. At the first office visit, the physician can more accurately pinpoint the "right drug at the right time" or choose the right combination therapy for the patient. NeuroMark's test panel will improve treatment effectiveness and patient compliance and will reduce adverse events and inefficient use of expensive drug therapies.

Leveraging on its scientific knowledge and expertise in neuropsychiatric disorders and its biomarker discovery program and intellectual property, NeuroMark will use its profitable growth in genetic diagnostics to financially support development of a therapeutics portfolio. Its proprietary biomarkers and combinations of biomarkers will be employed as new drug targets and for use in development of new combination therapeutics. NeuroMark's biomarkers will also provide genetic identification for clinical trial subjects for new drug discovery alliances with pharmaceutical partners, saving approval time and development costs. The company's companion genetic tests are expected to be required by the physician or the FDA before prescribing pharmacogenomically developed new drugs.

NeuroMark's second phase of development will include testing for susceptibility to anxiety and addictive disorders and testing for prevention of weight gain. NeuroMark currently holds key intellectual property of value in genetically identifying individuals susceptible to organophosphate pesticides and sensitive to certain components of air pollution. Tests will be developed for the chemical industry, the Department of Defense and the Department of Homeland Security.

Industry Overview:

The molecular diagnostics market is segmented into two areas: service and manufacturing. The manufacturing market in the US is estimated to be $1.3 billion and globally, $1.9 billion. The services market in the

Company Profile:

Address:
11772 Sorrento Valley Road
Suite 140, Mailbox 8
San Diego, CA 92121

Forum Participants:
Kim Bechthold
Corinna Herrnstadt, Ph.D.
John Alsobrook, Ph.D.
Linda M. Tanner

Phone:
(619) 540-7690

Fax:
(619) 540-7690

Sector:
Life Science, diagnostics and therapeutics

Homepage:
www.neuromark.com

Legal Form:
Corporation

Amount of Capital Raised:
$700,000

Date Established:
8/1/2002

Funding Sought:
$3 million

Number of Employees:
7

Current Investors:
Management,
private individuals

Stage of Development:
Early stage

US is estimated to be $1.7 billion and globally, $2.5 billion. The services market is growing by 25% a year. According to a report from the Cambridge Healthtech Institute, "Genetic testing is driving the growth of the overall market." In the service segment genetic testing is showing an annual growth rate of 60%-70%.

New genetic tests have higher market value and are earning significantly stronger profit margins than traditional diagnostics. Molecular diagnostic tests on average sell for $350. Profit margins are 45%-70%. Cost to perform NeuroMark's single-marker test using microarray chip technology is $5.24. Cost to perform NeuroMark's panel of 20 biomarkers using the same technology is $52.49. When performed within a CLIA-certified laboratory, genetic tests do not require FDA approval. NeuroMark will obtain FDA approval for selected high-value test panels to insure reimbursement by Medicare and third-party payors. Approval is typically under a year.

Pharmaceutical drugs for neuropsychiatry and behavioral medicine are generally available to patients but require long and sometimes risky "trial and error" periods to find the right drug. The available drugs do not address the fact that most patients have multiple symptoms and many have significant co-existing disorders. NeuroMark's therapeutic development program's focus is to eliminate "trial and error" prescribing and provide innovative, genetically targeted combination therapies.

Competition:

NeuroMark is the first mover in the field. Companies currently developing molecular diagnostics and conducting biomarker discovery programs are largely focusing on infectious disease diagnostics or oncology. One exception, Myriad Genetics, has identified a single biomarker reported to be associated with depression. No company appears to be developing multiple marker genetic tests for ADHD, screening tests for depression and for anti-social behavior disorder or theranostics tests for neuropsychiatric disorders.

Distribution/Marketing Plan:

NeuroMark plans to market and distribute its portfolio of diagnostic product offerings with strategic international marketing and distribution partners such as Bayer, Abbott and Roche, and through a network of independent distributors found in most regions of the industrialized world. In the US, exclusive and non-exclusive marketing alliances with Quest or Laboratory Corporation of America, the two leading service laboratories, are a potential source of early and continuous revenue. A direct-to-consumer marketing campaign focusing on women as the "gatekeepers" of the family's health will be launched to market genetic tests to physicians, schools, social service agencies, counselors and the juvenile justice system. The company will perform educational testing services from within its own CLIA-certified laboratory, cutting cost to the end user and widening its developing market. Consumers can "bank" their DNA with the company for future tests and receive special rates for participating in research studies-reducing the company's marketing and research costs.

Fifth Year Revenue & Earning Projections:

Estimating only those revenues from two genetic tests, diagnosis of ADD and screening for susceptibility to depression, NeuroMark is projecting fifth year revenues of $258.2 million. The figure is based on a penetration of 5% of the ADD market and a penetration of 1.5% of the market for persons at risk of stress-related depression. Projected revenues are based on an average test price of $395. Not included are revenues from international sales, tests for anti-social behavior disorder, theranostics tests to direct treatment, contract revenues from pharmacogenomic testing for clinical trials, and tests being developed for industry and the military. Earnings projections are $31.3 million in the fifth year. These projections are purposely conservative.

Management Team:

Kim Bechthold, Chairman of the Board and CEO, formerly President of BRL Limited, a Canadian Biopharmaceutical company, and President and CEO of Genmark Corporation;

Corinna Herrnstadt, Ph.D., Vice President Genetic Research, a co-founder of Invitrogen and most recently Director of Molecular Biology and Genomics at Mitokor. Dr. Herrnstadt was the first to characterize all major human mitochondrial DNA haplogroups; she discovered genetic associa-

tions in Alzheimer's disease, Parkinson's disease and type 2 diabetes; she developed five breakthrough products for DNA research; has over 20 patents to her name and has received a number of awards and grants;

Linda M. Tanner, Vice President, Sales and Market Development, was recently General Manager, Health Screening Business, Sr. Vice President of International Operations and Vice President of Global Sales and Marketing for Quidel Corporation. Ms. Tanner has over 25 years of experience in sales and marketing management in the medical diagnostics industry. Earlier she was Director of Global Marketing and Vice President of Global Marketing and Support Services for Nichols Institute Diagnostics.

John Alsobrook, Ph.D., Director of Neuroscience Development, was most recently Genetics Supervisor and Senior Research Scientist, Drug Discovery, at Curagen Corporation and previously was Associate Faculty Scientist, Yale Child Study Center, Yale School of Medicine;

Nancy Pecota, Chief Financial Officer, was most recently Vice President of Finance and Administration with Signature BioScience and has held senior finance positions at ACLARA BioSciences, dpiX, Xerox Corporation and Westinghouse Corporation;

Randy Berholtz, Esq. Vice President of Business Development and Corporate Counsel, was most recently Acting General Counsel and Secretary of Nanogen and previously was a corporate, securities, mergers and acquisitions and intellectual property lawyer with Heller Ehrman and Cooley Godward;

Wayne Bechthold, Vice President, Administration, was formerly founder and Chairman of Sarius Associates and sales manager for Piedmont Capital Corporation.

Bill Gordon, Director of Information Technology, is President of Paragon Technology Services.

RegeneMed, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

RegeneMed, Inc. is a new venture founded on technology, personnel and intellectual property spun out of Advanced Tissue Sciences, Inc. (ATS) with the express purpose of becoming the market leader in tissue-based solutions for drug discovery and development, and having additional applications as extra-corporeal and implantable medical devices. RegeneMed's technology is predicated upon growth of three-dimensional (3-D) co-cultures of primary human liver stromal and parenchymal cells that function in vitro and in vivo as human liver tissue. These tissues will first be incorporated into variable throughput systems used to evaluate drug metabolism and hepatotoxicity. The absence of such model systems today represents a critical problem plaguing the pharmaceutical industry. RegeneMed tissue technologies are scalable, reproducible and specific and designed to provide normal, diseased and polymorphic tissues. This approach enables ADME/Tox (absorption, distribution, metabolism, excretion and toxicity) studies to be performed earlier in the drug discovery process when costs are lower.

RegeneMed tissue technologies are also protected by 35 U.S. and extensive E.U. patents. Hepatic and other tissue product lines will evolve in a staged manner to eventually serve as tools for lead optimization, drug discovery, and medical devices. Strategic partners have been identified to facilitate development and validation and speed time to commercialization. A total of $8M in NIH small business grants fund collaborations with The Genomics Institute of the Novartis Research Foundation, Chiron Corporation, Kalypsys, Inc. and the former Q3DM, Inc. to develop ADME/Tox and Hepatitis C drug discovery tools. RegeneMed expects multiple sources of recurring revenue through direct sales, funded research, and technology licensing agreements. Revenues by third year of sales are forecast to exceed $18M, and $70M by year four with gross margins above 80%.

RegeneMed is seeking a pre-series A investment of $1.25M to complement the grant funds to complete the toxicity studies and begin small scale manufacture of sufficient product to solicit a first-right-of-access pharmaceutical partnership and launch a limited contract testing service. RegeneMed requires a total $7M investment in addition to the grants to reach full scale manufacture of one-million liver multi-well ADME/Tox test kits annually and to establish full contract testing services and customized platforms for pharma, biotech, CRO and R&D which have a combined total annual market exceeding $4B. An exit strategy is to sell the business to a current provider of cell-based assay and utilize the patents to pursue therapeutics and preventative medicine applications.

Product/Technology Description:

RegeneMed, Inc. will accelerate the development of safer, more effective drugs by providing integrated high throughput platforms incorporating engineered human tissue-based assays as opposed to less predic-

Company Profile:

Address:
11099 N. Torrey Pines Road
La Jolla, CA 92037

Forum Participants:
Dawn R. Applegate, Ph.D., President & CEO
Brian A. Naughton, Ph.D., CSO

Phone:
(619) 200-0412

Fax:
(619) 223-5266

Sector:
Biotechnology / Tissue Engineering

Homepage:
www.RegeneMed.com

Legal Form:
California S Corp.

Amount of Capital Raised:
$150K + $8M NIH SBIR's

Date Established:
August 21, 2003

Funding Sought:
$7M Series A

Number of Employees:
4

Current Investors:
Angels, Friends & Family

Stage of Development:
Early

tive cell-based assays. RegeneMed will leverage 16 years of tissue engineering technology, 35 US patents, the co-founder and inventor of the technology and the lead scaleup engineer from ATS to manufacture human organs in mass quantity in the lab, including liver, GI tract, bone marrow and blood-brain barrier. These tissue-based in vitro model systems will accelerate drug development, the first and critical application to debottleneck ADME/Tox evaluation, the leading cause of drug failures facing the pharmaceutical industry. Subsequent applications include drug discovery platforms (cancer and antivirals), medical devices (extracorporeal devices), diagnostics, biosensors (chem/biowarfare) and tissue implants.

RegeneMed's approach has been validated through receipt of $8M in government grants to execute a plan, devised in collaboration with 6 major pharmaceutical companies, to compare engineered human liver tissues versus current model systems for their ability to predict the toxicity of 25 proprietary drugs that have failed clinical trials or been pulled from the market due to liver toxicity. The function of these engineered liver tissue has been proven by previous research at Advanced Tissue Sciences via growth of the tissues in extracorporeal devices and implantation of the tissues into animals, with demonstrated liver regeneration as well as correction of single gene defects for over 7 years. Business expansion will include production of other tissues important to drug discovery, and to leverage genomic and proteomic profiling of normal and diseased tissues into preventative medicine applications, to enable detection, treatment and prevention of organ disease through development of the appropriate therapy, be it a biosensor, diagnostic, pharmaceutic, biologic, extracorporeal device or tissue replacement.

Industry Overview:

The cost to bring one new drugs to market has increased dramatically to over $800M, with $150M of this spent investigating the number one contributor to drug failures, which is poor liver metabolism and toxicity. Liver toxicity is responsible for three-quarters of drugs failures in clinical trials, a third of drug withdrawals from the market and more than half of all warning labels on approved drugs. While the pharmaceutical industry spends over $3B annually and growing at greater than 15% per annum, on liver metabolism and toxicity testing systems, including animals and human cells, none are fully predictive of human function. RegeneMed's products should enable pharma to recoup approximately half of the $1M per day lost opportunity cost associated with drug clinical failures, as well as to salvage drugs that have been pulled from the market, such as Rezulin for diabetes, which represent as much as an $11M daily lost opportunity cost.

Competition:

In vitro models that exhibit full hepatic function and maintain that function over time have not been successfully achieved. The current "gold standard" for ADME/Tox screening is human hepatocytes, which are limited by short-term function, variability, expense, non-scaleability, short-supply, and partial prediction of human function. RegeneMed tissues maintain long-term human tissue-specific function enabling high throughput, reproducible, available, affordable in vitro systems predictive of human ADME/Tox profiles that can become an industry standard. One of the NIH grants aims to develop the engineered tissues as an FDA-approved animal testing alternative. Unlike hepatocytes, the long-term function of RegeneMed tissues enables chronic drug exposure characteristic of in vivo toxicity as well as drug-drug interaction studies.

Distribution /Marketing Plans:

RegeneMed will provide tissues, customized platforms and contract testing servicing two-thirds of the $3B ADME/Tox market. These products and services will subsequently be leveraged, starting with liver, into drug discovery (for liver alone a $1B hepatitis, cirrhosis and cancer market; 25,000 annual deaths, 4 million afflicted), medical devices ($1B extra-corporeal liver assist device and transplant market; 18,500 patients, 373,00 hospitalization), diagnostics (such as Roche cytochrome P450 diagnostic), biosensors (including chemical/biological warfare agent detection), and tissue implants (liver, pancreas, bone marrow, etc.).

Pharma/biotech partners will have first rights of access to the lead products, multi-well plates of engineered tissues for ADME/Tox assessment, through direct purchase and a contract testing service until large-scale manufacturing is available in

year 3. While RegeneMed possesses the customer connections and expertise to market and distribute the first products, discussions are in progress with corporations currently selling cell-based assays regarding product marketing and distribution partnerships.

Fifth Year Revenue & Earnings Projections:

A Bass Model and representative manufacturing costs from ATS were used to forecast product adoption rates, tissue procurement requirements, revenue and net income. RegeneMed expects multiple sources of recurring revenue through direct sales, funded research, and technology licensing agreements for its engineered tissue-based ADME/Tox, hepatitis and drug discovery platforms. Tissue procurement rates are not limiting through year 6, after which alternative cell sourcing will be available. Revenues by third year of sales are forecast to exceed $18M, and $70M by year four with gross margins above 80%; income primarily from the first liver product.

Management Team:

Dawn R. Applegate - President and CEO. Dr. Applegate obtained her Ph.D. from MIT in Chemical Engineering in 1992. For the past 10 years she has lead the development of first-of-a-kind, FDA-approved cGMP tissue engineered manufacturing systems at Advanced Tissue Sciences for which she holds two patents, and participated in regulatory submissions, clinical trials and marketing efforts related to these systems. In her last role as Director of Technology Development at Advanced Tissue Sciences, she conceived, developed and attracted $6M in venture funding to the RegeneMed business.

Brian Naughton - Chief Scientific Officer. Dr. Naughton obtained his Ph.D. in Experimental Hematology from New York University in 1978. He was Principal Investigator of NYHRC Grants at NY University from 1979-1981. From 1982-1994, Dr. Naughton was Professor of Hematology at Hunter College. In 1986, he founded Marrow Tech (later to become Advanced Tissue Sciences) and served as Senior Principal Scientist from 1990-1996. Dr. Naughton has over 100 publications and more than 30 U.S. patents covering his innovative technology.

Scientific Advisory Board

RegeneMed is a technology company with emphasis on development of specialized products. Proposed members of the scientific advisory board are being selected from end user industries:

- Pharma/Biotech - Dale Johnson, Chiron Corporation
- Clinical Research Organizations (CROs) - Chris Atterwill, Ph.D., Huntingdon Life Sciences
- University - Fred Levine, MD, PhD, Associate Professor of Pediatrics & Cancer UCSD
- Genomics/Proteomics; Medical Devices - tbd based on R&D partner

Aciont Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview

Aciont™ Inc. endeavors to become the world leader in commercializing localized, non-invasive and controlled release back-of-the-eye ("BOTE") therapeutics for sight threatening diseases. Our name Aciont ("action transport therapeutics") refers to our expertise in controlling drug transport through human membrane tissues. Our Visulex™ technology provides ophthalmologists substantially greater freedom in treating and/or preventing chronic eye diseases through superior drug dosing control and improved patient/physician compliance.

Aciont has a two-fold product development strategy in meeting the therapeutic demands of aging or at-risk (e.g., diabetic) populations susceptible to permanent visual impairment or blindness: 1) identify a library of effective compounds that treat such BOTE diseases; and 2) develop a superior drug delivery system to optimize therapeutic performance and patient acceptance. Thus, Aciont plans to develop proprietary products based upon Visulex™ and off patent drugs. The company also expects to collaborate with others to develop optimized delivery of new BOTE therapeutic agents.

Product/Technology Description

Our Visulex™ non-invasive BOTE drug delivery system has distinct advantages over surgical or invasive techniques because it does not produce collateral tissue damage and may be administered at earlier stages of diseases before the retina has sustained severe damage. Thus, Visulex™ (3 issued and several pending patents) intends to eliminate or reduce significantly risks of erratic or uncontrolled ocular drug delivery, pain, bleeding, and infection associated with injections or other invasive systems. Visulex™ is based on our advancements of iontophoresis, a method using electrical current to transport drugs across human membrane tissues.

Operating Visulex™ is safe and simple. The most significant component of Visulex™ is Aciont's proprietary drug applicator and it is placed comfortably just underneath the patient's lower eyelid. The applicator and counter electrode patch are operated by the drug dose-controlling device. The device creates a mild electrical field for about ten to fifteen minutes that drives the drug in the applicator from the front of the eye to the back. Visulex™ also offers better acceptance among medical staff due to improved safety of administration and ease/timeliness of preparation and use requiring only basic training.

Our preclinical studies so far have demonstrated in part our advancement of iontophoresis. In one study, Visulex™ was compared against the standard injection method in a study using a well-known posterior uveitis in vivo rabbit model. Essentially this study demonstrated at least two things: one, adequate amounts of the drug were delivered to the back-of-the-eye without any noticeable harm to the eye; and two, a viable drug candidate was identified to treat posterior uveitis. Additional studies are planned to incorporate additional technology features and to help us enter phase I human safety trials of our lead product treating uveitis.

Company Profile:

Address:
Aciont Inc.
350 W. 800 N., Ste. 250
Salt Lake City, Utah 84103

Forum Participants:
John Higuchi, President

Phone:
(801) 359-3461

Fax:
(801) 359-3464

Sector:
Drug Delivery (Primarily Ophthalmology)

Homepage:
www.aciont.com

Legal Form:
S-Corporation

Amount of Capital Raised:
$1.8 million

Date Established:
April 2000

Funding Sought:
$3.0 million

Number of Employees:
5

Current Investors:
Founders

Stage of Development:
Preclinical

Industry Overview

The next frontier in the treatment of sight-threatening, back-of-the-eye (BOTE) disease is the development of patient and physician friendly drug delivery systems. Current approaches present serious physician and patient administration obstacles toward producing effective treatments as they require intravitreal injection or surgical placement of drug depots.

Common BOTE diseases can permanently deteriorate vision and/or cause blindness if left untreated. Unfortunately, an aging baby boomer population and an increasingly obese/diabetic U.S. population are significant factors expanding the already underserved BOTE therapeutics market:

- **Inflammation-Uveitis** (350K global vulnerable patient population/$500M estimated 2015 market size; about 80K annual patients/$80M peak sales penetration of proposed product; planned product launch year: 2008);
- **Chronic Macular Edema** (500K/$1.0B; 100K/$200M; 2010);
- **Age-related Macular Degeneration** (1.5M/$2.5B; 200K/$400M; 2012); and
- **Diabetic Retinopathy** (1.0M/$1.5B; $150K/$300M; 2012).

We assume on average that each chronic therapy dependent patient will generate approximately $2,000 in annual product revenues (besides Uveitis). This slightly contrasts with a 12/03 SG Cowen paper that says the following: "based on current reimbursement, we assume that yearly [age-related macular degeneration] therapy will equal about $5-6K in manufacturer revenue per patient in the United States."

Competition/Unmet Drug Delivery Needs

While many novel therapeutic agents have been proposed to treat these diseases, including several injection-based therapies currently in Phase III clinical trials, a convenient, patient friendly drug delivery system remains elusive.

Historically, drug delivery for the eye has been limited to topical application, redistribution into the eye following systemic administration, or by direct intraocular/periocular injection. Topical drops are more convenient, but wash away, delivering less than five percent of the applied drug into the anterior eye and a small fraction of that dose to the posterior section of the globe. Systemic administration of therapeutics to treat ocular disorders exposes the whole body to the potential toxicity of the drug.

Intravitreal and periocular injections are able to administer drug where it is needed, but patient discomfort and sometimes fear make injections less favorable. Although a rare complication of intravitreal injections, bacterial endophthalmitis can cause severe ocular damage. The risk of bacterial endophthalmitis is estimated to be approximately 1 per 1000 injections, but since many of the newer antiangiogenic drugs must be administered every 4-6 weeks for 1 or 2 years, the cumulative annual patient risk of infection approaches 1%. There are additional risks of retinal detachment, cataract, and blindness if the procedure is not administered correctly.

Currently, ocular sustained release injectables or implants have been reported. Bausch and Lomb's Retisert® and Allergan's Posurdex® may be alternatives to repeat injections. These devices have received attention because of increased visual acuity outcomes when compared with traditional therapies. Insertion of these devices is invasive and potential complications associated with such procedures remain inherent.

While some patients consent to repeated intravitreal injections in the hopes of retaining vision, others prefer no treatment rather than an injection, simply accepting the progression of disease over treatment. Thus, it becomes clear that noninvasive drug delivery to the eye's posterior chamber is an unmet need.

Distribution/Marketing Plans

In the United States, roughly 1,600 - 2,000 retinal specialists would be the anticipated marketing channel for administering to patients our Visulex™-based products. In the drug delivery industry it is also common to secure commercial partners to fund product development costs and to lead marketing efforts. Back-of-the-eye diseases are key markets sought by leading pharmaceutical players such as Pfizer, Novartis, Genentech, and Alcon.

Fifth Year Revenue & Earning Projections

Category	2007	2008	2009	2010	2011	2012
Net Product Revenues ($000s)	0	9150	15250	24400	54900	97600
Operational Expenses ($000s)	4700	8000	12500	16500	36000	78000
Operational Revenues ($000s)	2000	2500	3000	4500	7000	12000
Pre-Tax Income ($000s)	-2700	3650	5750	12400	25900	31600

Management Team/Advisors

President/COO: John Higuchi, MBA, MSIS; co-founder and Board member of Lipocine. More than 14 years experience in different capacities relating to drug delivery, finance, licensing, marketing, and health care policy.

Chairman/CEO: William Higuchi, Ph.D.; co-founder and Chairman of TheraTech (sold to Watson for $350M); co-founder and Chairman, Lipocine Inc. World-renowned authority in drug delivery technologies and pharmaceutical product development. Higuchi family participation is critical in the next phase of development; however, family management control is not a priority with respect to the future expansion of this concept.

Technology/Product Development: David Miller, Ph.D. and Kevin Li, Ph.D. Experts in iontophoresis and physical pharmaceutical chemistry. Dan Mufson, Ph.D. Over 40 years of R&D experience in pharmaceutical product development, including leading the development of numerous drug delivery based products.

Medical Advisors: Nick Mamalis, M.D. (expert pathologist of eye diseases) and Paul Bernstein, MD, Ph.D. (clinical expert of back-of-the-eye diseases and therapies), both of the John A. Moran Eye Center.

Vascular BioSciences

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Vascular BioSciences (VBS) develops interventional devices, molecular diagnostics, and targeted pharmaceuticals for vascular-based diseases. Our first product, the endoarterial biopsy catheter, is the world's first interventional device to obtain biopsy samples from the inner layer of arteries in a minimally invasive fashion.

Patented worldwide, the endoarterial biopsy catheter has undergone eight years of peer-reviewed, published scientific research and is poised to begin clinical trials for several disease indications at the University of California San Diego Medical Center.

The endoarterial biopsy catheter is being developed for patients at risk for pulmonary hypertension, pulmonary vascular diseases, organ transplant rejection, peripheral artery disease, coronary artery disease, congestive heart disease, collagen vascular diseases such as lupus and scleroderma, sickle cell disease, pulmonary embolism, chronic obstructive pulmonary disease and primary and secondary lung cancer.

Endoarterial biopsy will better enable the study, diagnosis, monitoring, and treatment of vascular-based diseases, and propel the sales of interventional devices, molecular analytical services and pharmaceuticals that target vascular-based diseases.

Immediate revenues from endoarterial biopsy catheter sales alone will exceed $150 million within 3 years of FDA approval, and over $1 billion after 7 years.

Our objective is to provide innovative technologies to detect and treat vascular-based diseases in order to enhance and prolong human life. We expect this to be achieved by providing safe and effective interventional devices, molecular analytical services and targeted pharmaceuticals.

Product/Technology Description

Many vascular diseases are poorly understood, difficult to diagnose, and frequently associated with significant morbidity and mortality because of the inaccessibility of vascular tissue. To extend the length and quality of patient life, Vascular BioSciences has created the world's first endoarterial biopsy catheter, a device designed to obtain biopsy specimens from the inner layers of an artery via a minimally invasive technique.

Vascular BioSciences is committed to improving current patient therapy and disease management by providing a more comprehensive picture of a patient's vascular pathological, cellular, molecular, and genetic profile through the use of the endoarterial biopsy catheter. The catheter will provide a means for monitoring therapeutic interventions, optimizing medical management, customizing diagnosis and therapy, and anticipating future adverse events through the early identification of disease markers in arterial biopsies from patients. The mission of VBS is to improve the clinical outcomes of patients with vascular-based diseases by providing a heretofore unavailable, cost-effective, safe, minimally invasive means to biopsy arterial tissue.

Company Profile:

Address:
4720 Everts St
San Diego, CA 92109

Forum Participants:
David Mann, CEO & Chairman

Phone:
(858) 273-2744

Fax:

Sector:
Biomedical

Homepage:
www.vascularbiosciences.com

Legal Form:
C Corp

Amount of Capital Raised:
$1,100,000

Date Established:
November 1995

Funding Sought:
$1 Million to fund Phase 1 Clinical Trials

Number of Employees:
7

Current Investors:
Private Equity

Stage of Development:
Phase 1 Clinical Trials

The catheter is compatible with the existing interventional catheterization environment, and endoarterial biopsies can eventually be performed on an outpatient basis. The device is intended for single use only. It can be used to obtain multiple biopsy samples from multiple locations in a single patient during a single procedure and then disposed.

Vascular BioSciences will also provide molecular analytical services to analyze endoarterial biopsies using the most advanced genomic and proteomic methods in order to produce a comprehensive profile of a patient's vascular disease.

Our majority owned pharmaceutical subsidiary, VBS Pharmaceuticals, discovers and in-licenses drug candidates for proteins and receptors found in diseased vasculature, and formulates pharmaceuticals that deliver therapeutic compounds to the exact desired area of the vasculature, thus avoiding systemic side effects.

Industry Overview:

Vascular-based diseases are a major health risk throughout the industrialized world. Despite impressive and continuing breakthroughs, much work still needs to be done to treat the leading causes of death for millions of people worldwide.

Immediate improvement in the care of patients suffering from vascular-based diseases with a high incidence of mortality is urgently needed. The following patients may benefit from the percutaneous procurement of endoarterial biopsy tissue: lung transplant recipients with a mean survival of 3 years; pulmonary hypertension patients with a mean survival of 2 1/2 years; lung cancer patients with a mean survival of 6 months; cancer patients at risk for lung metastasis; peripheral vascular disease patients facing limb amputation; coronary artery disease patients at risk for abrupt plaque rupture or in need of autologous donor vessels for coronary artery re-bypass; arteritis and vasculitis patients in need of accurate diagnosis and effective therapy; collagen vascular disease patients such as lupus and scleroderma patients facing the often fatal pulmonary vascular complications of their disease; sickle cell anemia patients at risk for sudden death due to undiagnosed and untreated pulmonary hypertension.

Competition:

As evidenced by our 16 patents in 13 countries including the United States, Europe, and Japan, and 6 scientific peer-reviewed publications, there are no other specific endoarterial biopsy catheters for interventional use.

There are, however, endomyocardial biopsy devices which take samples of heart tissue, atherectomy catheters that remove atherosclerotic plaque from coronary arteries, coring needle type devices for organ biopsies which sometimes obtain vascular tissue along with organ tissue, and surgical methods for obtaining diseased tissue or biopsy material. Endomyocardial devices cannot biopsy arteries, and atherectomy catheters are designed to remove only calcified, irregular plaque and to avoid soft tissue and are unable to function in areas of generalized smooth disease. Coring needle type devices can cause hemorrhage, potential organ failure or even death if they obtain a large amount of vascular tissue by vessel perforation. Surgical methods are highly invasive and often associated with potential complications, extended hospital stays, and are impractical to perform on a surveillance basis.

None of the devices or methods mentioned can obtain a sample of vascular tissue via a non-surgical, minimally invasive technique. There is no other device that is designed to exclusively biopsy vascular tissue.

Distribution/Marketing Plan:

The scientific credibility of the company's products will be the foundation of all marketing efforts. Preclinical and clinical studies will provide Vascular BioSciences with the best possible marketing tools to establish our products and services within the medical community.

Customers and potential users of this device can be reached through medical conferences and medical journals where the peer-reviewed process serves to establish the company's products in the marketplace.

The larger community of patients suffering from the diseases Vascular BioSciences is targeting can be reached over the Internet on our Web site, www.vascularbiosciences.com. This Web site will supplement and support our marketing efforts, and even

serve as a distribution and technical resource for physicians and hospitals worldwide. Product distribution will initially be conducted through direct contact of physicians and device user training. Vascular BioSciences will supply catheterization labs worldwide to perform the endoarterial biopsy procedure, then resupply those device users. Because of strong worldwide IP, VBS is exploring a global partnering strategy for licensing, distribution, and possibly manufacturing. VBS will manufacture devices and market directly as well as through a global network of licensing and distribution partners.

Fifth-Year Revenue Projections: $150 Million

Fifth-Year Earning Projections: $62 Million

Management Team Includes:

David M. Mann, Chief Executive Officer. As the inventor of the endoarterial biopsy catheter and founder of Vascular BioSciences, Mr. Mann has led the company since its inception in 1995. Mr. Mann has been awarded 16 patents both U.S. and foreign, is a co-author of 6 scientific publications, and has 8 years experience developing and testing the endoarterial biopsy catheter in an animal model. Mr. Mann holds an engineering physics degree from the University of Colorado, Boulder.

Robert D. Foster, President. Mr. Foster has over 20 years experience in corporate management of medical device development and manufacturing companies. He is the founder of Avalon Laboratories, the worlds largest OEM manufacturer of heart cannula used in cardiac surgery. He founded the company in 1990, sold it to Medtronic in 1996 and repurchased it from Medtronic in 2002.

Irvin Kluth, VP Regulatory Affairs & Quality Assurance. Mr. Kluth has 32 years experience in all aspects of regulatory affairs and quality assurance for the medical device and pharmaceutical industries. Mr. Kluth has extensive knowledge and experience in applying FDA and international regulations-including GLP, GCP, GMP, ISO & QSR-for the design, development, validation, clinical testing, manufacturing, product launch, post-market surveillance, auditing, compliance, and inspections of medical devices and pharmaceuticals.

VBS Board of Advisors Includes:

Erkki Ruoslahti, M.D., Ph.D., Distinguished Professor at The Burnham Institute, La Jolla, California. Dr. Ruoslahti is an internationally recognized scientist in the areas of vascular targeting peptide technology, vascular biology, cell adhesion, and tumor biology. Dr. Ruoslahti served as the President of The Burnham Institute from 1989 to 2001, has published more than 400 scientific papers, and is the inventor of more than 150 patents. His inventions form the basis of two clinically used drugs as well as several that are under development. He has co-founded several biotech companies and has served as a director or advisory board member of these and other companies. He has been awarded numerous prizes for scientific accomplishment, and was a Nobel fellow at the Karolinska Institute in Stockholm, Sweden. Dr. Ruoslahti is a member of the U.S. National Academy of Sciences and the Institute of Medicine.

DermAegis, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

DermAegis was incorporated in Delaware in January 2004. The company's lead product is **LipoDEET**, a superior insect repellent that overcomes the various negative features of currently marketed products. U.S. health officials are urging Americans to use DEET-containing products to prevent bites from insects transmitting West Nile virus, Lyme disease and other serious infections. Despite these risks, consumers are shunning currently available DEET products due to their perceived systemic toxicity and unwelcome oiliness and odor. LipoDEET is a long-acting, wash resistant, non-oily, odor-free formulation that is not absorbed into the bloodstream. LipoDEET offers the potential of revolutionizing a stagnant product category at the time consumers are craving something better and are willing to pay a premium to get it. Other sources of demand include our armed forces stationed overseas who are exposed to exotic insect-borne infectious diseases, as well as people everywhere who fear the use of insect vectors as bioterrorism agents.

Product/Technology Description:

LipoDEET contains the chemical DEET, the only effective insect repellent recognized by the Centers for Disease Control (CDC). LipoDEET provides superior protection against a wide range of biting insects, a prolonged duration of action, and improved washing resistance compared to currently marketed DEET-containing products. Most important, LipoDEET is formulated to prevent DEET from entering the bloodstream, thus overcoming a major safety concern of both consumers and regulators. In response to these concerns, the Environmental Protection Agency (EPA) has severely restricted safety claims on labels of currently marketed DEET-containing products, particularly with respect to use in children. In experiments on human volunteers, a single application of LipoDEET provided over 12 hours of protection against mosquitoes and, in animal studies, 48 - 72 hours of protection against ticks. In addition to its many performance advantages, LipoDEET is cosmetically elegant.

Industry Overview / Competition:

Dozens of topical insect repellents are on the U.S. market, but the most effective contain DEET as the active ingredient. A New England Journal of Medicine article (NEJM 347(1): 13-18, 2002) compared the efficacy on human volunteers of 16 marketed insect repellent products. Only those products containing at least 20% DEET provided better than two hours of protection against biting mosquitoes. Products containing citronella or other herbal substances provided fewer than 30 minutes of protection.

The EPA estimates that over 100 million Americans used a DEET-containing product in 2002. However, sales of leading brands in this category, such as Off!® (S.C. Johnson), Cutter® and Repel® (both United Industries), are essentially flat over the past five years, with

Company Profile:

Address:
4747 Plummer Ct.
San Diego, CA 92130

Forum Participants:
Robert Zaugg, Ph.D.
CEO

Phone:
(858) 259-5659

Fax:
(425) 795-4978

Sector:
Life Sciences

Homepage:

Legal Form:
C Corp

Amount of Capital Raised:
$25,000

Date Established:
January 2004

Funding Sought:
$1 million

Number of Employees:
1

Current Investors:
Illinois Ventures

Stage of Development:
Startup

combined annual sales of about $100 million in the U.S. (source: IRI InfoScan). Two newer brands, Avon's Skin-So-Soft Bug Guard® (a non-DEET product) and 3M's Ultrathon® (a long-acting DEET product), offer alternatives with some appealing features. In the comparison study cited above, the Avon product, which contains the chemical IR3535 instead of DEET, repelled mosquitoes for an average of only 23 minutes. None of these products offers LipoDEET's array of benefits.

Consumers perceive DEET to be a toxic chemical, which explains why currently marketed products sell so poorly. Several published studies support this notion, but no direct causative link has been established. The EPA maintains its position that DEET products are safe and effective when used according to instructions on the label.

Distribution/Marketing Plans:

As for any insect repellent product, LipoDEET is subject to marketing approval from the EPA. It is important for DermAegis to confirm the safety data supporting a near absence of systemic uptake of DEET in an EPA-recognized model (human or pig). Once confirmed, we will have a tremendously powerful case for claiming superiority over existing insect repellents. We also expect to confirm initial findings in human volunteers that LipoDEET is superior to existing products in terms of efficacy. DermAegis plans to outsource the various safety and efficacy studies required to gain EPA approval of LipoDEET.

LipoDEET derives its superior performance characteristics to the presence of liposomes in the formulation. Conventional manufacturing processes commonly used in the pharmaceutical and cosmetics industry can achieve large-scale production of LipoDEET. LipoDEET will be manufactured initially at a contract facility. We will consider building our own manufacturing plant if and when it becomes economically and strategically beneficial to do so.

Generating the data necessary to support EPA registration requires relatively modest investments of time and money. Thus, DermAegis intends to obtain product approval for LipoDEET on its own (that is, without the help of a potential marketing partner). Following EPA approval the company may elect to establish one or more strategic partnerships with consumer brand companies to market and distribute LipoDEET. However, we believe that creating and marketing proprietary brands rather than serving as a supplier to existing brand companies realizes most of the value in new consumer products. Therefore, DermAegis will seek as a first priority to establish its own brand of LipoDEET as an alternative or in addition to partnering with existing consumer brand companies.

Fifth Year Revenue & Earning Projections:

DermAegis projects revenues of $18.5 million and net profits of $5.8 million by the fifth full year of operations. The company is currently seeking to raise up to $1 million in seed equity financing to complete product development and to fund the first 12 - 18 months of operations.

Management Team:

Robert Zaugg, Ph.D., M.B.A. - CEO, Founder

Dr. Zaugg has over 20 years of experience as an entrepreneurial scientist/business executive in the biopharmaceutical industry. In various business development capacities at Sandoz (now Novartis) Pharmaceuticals, Triton (now Berlex) Biosciences and Vical Inc., he initiated, negotiated and closed numerous strategic alliances and other transactions with an aggregate value exceeding $500 million, including deals with Merck, Pfizer, Human Genome Sciences, Aventis, Schering AG, Baxter, Boston Scientific, Centocor and Genzyme. Dr. Zaugg earned a B.A in psychology from U.C.L.A., an M.B.A. from N.Y.U. and a Ph.D. in biochemistry from Northwestern University. He conducted post-doctoral research in immunology at M.I.T.

Bernard Salafsky, Ph.D. - President, Founder

Dr. Salafsky has been the Regional Dean of the University of Illinois, College of Medicine since 1982 and is a professor of pharmacology at the school. He has held academic appointments at the University of Washington, the University of Pennsylvania and the University of Bristol (U.K.), in addition to several years of service with the World Health Organization. His principal research interest is in tropical parasitic disease, focused on schistosomiasis and other skin penetrating parasites. Dr. Salafsky has authored over 60 publications dealing with both educational and scientific issues, and holds two patents. He earned his Ph.D. in pharmacology from the University of Washington.

Hans Hofland, Ph.D. - Vice President, Operations

Dr. Hofland has over 15 years of formulation and drug delivery experience with a strong emphasis on liposomal formulations for local administration of small molecules and non-viral formulations for systemic delivery of genes. Dr. Hofland was section manager for non-viral formulations at Aventis Gencell, and senior scientist non-viral formulations at Somatix Therapy Corp. (now CellGenesys). Dr. Hofland received both his M.S. in medical biology and Ph.D. in pharmaceutical technology from the University of Leiden, The Netherlands. He conducted post-doctoral research lipid biochemistry and drug delivery at the University of Pittsburgh.

Adaptive Therapeutics Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Adaptive Therapeutics Inc. (ATI) uses a transformational approach to design and discover novel therapeutics for several large markets with urgent/unmet medical needs. The company was founded on a very novel and broad chemistry platform with a unique mechanism of action that selectively exploits the cell membrane as a drug target. This platform technology provides for an unprecedented and selective assembly of an active superstructure from monomeric subunits only when in the presence of and when induced by the desired cell target.

The company expects to have two products in clinical trials in 2005 and 2006; this would represent a four year timeline from Adaptive's founding on a novel chemistry platform.

Product/Technology Description:

The underlying power of Adaptive's proprietary chemistry platform comes from its versatile and expansive chemical architecture. ATI designs even-numbered cyclic peptides, including cyclic peptides having alternating D-and L-alpha amino acids. Typically, these are six or eight amino acids in size, although ATI has examined other sizes. The molecules are referred to as Adaptides™, and in the specific cellular environment, these molecules self-organize and self-assemble into active supramolecular nanotubes and specifically permeablize or disrupt targeted cell membranes. The cell target specificity and desired therapeutic characteristics is achieved by modifying the amino acid side chains; many of these changes do not adversely impact the mode of action.

This rich and tunable chemistry facilitates rapid combinatorial lead identification, optimization and product development. The Adaptides™ are highly selective and can target specific pathogenic bacterial membranes over those of human cells. Adaptides™ are rapidly cidal and active on both growing and quiescent microbial cells. Due to their unique mechanism of action, Adaptides™ show potent activity against both existing and newly emergent resistant bacterial strains.

ATI has ongoing programs to discover and develop antibiotics (Gram + antibacterial therapeutics) for significant life-threatening and unmet medical needs. We expect to have a systemic and a topical product in clinical trials in 2005 and 2006.

Company Profile:

Address:
5820 Nancy Ridge Drive
Suite 200
San Diego, CA 92121

Forum Participants:
Max Ladjevardi
Dr. Thomas R. Parr

Phone:
(858) 909-9050

Fax:
(858) 909-0958

Sector:
Biotechnology;
Pharmaceutical

Homepage:
www.adaptivetherapeutics.com

Legal Form:
Delaware Corporation

Amount of Capital Raised:
$9 Million

Date Established:
2002

Funding Sought:
$15-20 Million

Number of Employees:
16

Current Investors:
Flagship Ventures
Frazier Healthcare Ventures

Stage of Development:
Pre-Clinical

Industry Overview:

The Infectious Disease market is a very significant market with large, unmet and life-threatening medical needs. The existence and proliferation of resistant and multi-resistant bacterial strains poses a serious problem in particular because there have been less than a handful of new classes of antibiotics developed in the last 30 years. Also, the discovery of antimicrobials has proven to be very difficult; as a result, a few major pharmaceutical companies have departed the discovery stage. A related problem is that there are very few truly novel classes of antibiotics currently being discovered or in the clinical pipeline. As a result, ATI expect that entering its lead products into Phase I clinical trials and beyond discovery risk, will create tremendous value and elicit significant partnering interest from major pharmaceutical companies.

Competition:

There are several traditional biotech companies working in the antibiotic space. These all take traditional approaches working on extant chemotypes, rather than novel chemistry. Such companies include Vicuron, Genonome Therapeutics, Theravance, Cubist, Peninsula, Enanta, Intermune, Paratek, Intermune, Arpedia and Basilea.

Distribution/Marketing Plans:

Fifth Year Revenue & Earning Projections:

Pre-revenue

Management Team:

Max Ladjevardi, President and Co-Founder

Thomas R. Parr, Ph.D., Vice President, Research

Daniel L. Kisner, M.D., Consultant & Director of the Board

Muzammil M. Mansuri, Ph.D., Chairman of the Board; Managing Partner, Flagship Ventures

Auspex Pharmaceuticals, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview

Auspex Pharmaceuticals, Inc. develops new classes of small molecule therapeutics for the treatment of diseases with large unmet medical needs. We use our in-house expertise to modify existing drugs with non-optimal chemo-physiological properties into novel and proprietary drug candidates. Our disease targets have been selected from the fields of cancer, central nervous system, infectious diseases, skin disorders and diabetes, which represent a combined market of $40bn. Our primary focus is on generics or drugs with pending patent expiration dates. Our goal is to effectively reduce the investment risks associated with the development and marketing of a novel drug while providing the consumer with an improved product.

Product/Technology Description

Currently, Auspex has two drug candidates in pre-clinical development with projected IND filing dates of December 2004. Our first candidate is an injectable general anesthetic. This compound has shown efficacy in a variety of mouse models. Our second candidate is a non-toxic antineoplastic agent designed for oral administration. This compound has an excellent pharmacokinetic profile and has shown efficacy in a mouse tumor xenograft model.

Industry Overview

Anesthetics

Propofol is a widely used intravenous drug that induces and maintains anesthesia during surgery. It is also used to sedate patients during diagnostic procedures. Propofol was introduced to the US market in 1986 as DIPRIVAN® and is currently the world's leading anesthetic agent with 2002 sales upward of $650 million. Propofol is an oily substance that is sparingly soluble in water and readily oxidizes in air. These unwanted physical characteristics have greatly compromised its market potential. Currently, the drug is formulated as an oil-in-water emulsion prepared with the aid of water immiscible lipids (e.g. egg protein). This formulation is costly to produce, has a limited shelf life, induces pain upon injection, carries the potential for bacterial infection and produces a number of cardiovascular side effects. Studies have demonstrated that the surfactant additives used in this formulation may increase the occurrence of side effects and reduce clinical safety.

Auspex Pharmaceuticals has developed a series of proprietary water-soluble Propofol prodrugs. We have filed an international PCT application that contains a multitude of claims covering pharmaceutically acceptable formulations, methods of delivery and various clinical applications including the treatment of conditions associated with the central nervous system (CNS). Our analogs have a great potential to penetrate and capture significant shares of the $3 billion anesthetic and sedative market.

Auspex's proprietary water-soluble analogs of Propofol circumvent the disadvantages associated with DIPRIVAN®. These prodrugs are crys-

Company Profile:

Address:
1261 Liberty Way, Suite C
Vista Ca 92081-8356

Forum Participants:
Sep Sarshar, Bruno Tse, Dan Cardella

Phone:
(760) 599-1800

Fax:
(760) 599-1801

Sector:
Pharmaceutical

Homepage:
www.auspexpharma.com

Legal Form:
Corporation

Amount of Capital Raised:
$3 million

Date Established:
March 2001

Funding Sought:
$20 million

Number of Employees:
10

Current Investors:
Sloan Capital Partners

Stage of Development:
Seed/Start-up

talline white powders that can be directly dissolved in water and are stable at ambient temperature for extended periods of time. Once a solution of the prodrug is injected into a patient, the molecules rapidly decompose in the plasma and release Propofol that is in every aspect identical to the Propofol contained in DIPRIVAN®. Our prodrugs have been successfully tested in animal models. We have demonstrated both anesthetic and sedative activity after intravenous, intra-muscular, and intra-peritoneal administration.

Cancer

Cancer is the second leading cause of death in developed countries, surpassed only by cardiovascular disease. The current market size is over $12bn worldwide and is expected to grow at a rate of 11% per year. The World Health Organization estimates that each year 10 million new cases are detected and 6 million deaths worldwide are attributed to cancer. Current treatments for early onset and non-metastatic conditions include surgery and radiotherapy, or a combination of the former with chemotherapy. Antineoplastic agents are among the highest grossing drugs on the market today. Some examples include: Taxol (BMS, $1.2bn annual), Gemzaar (Lilly, $800MM annual) and Carboplatin (BMS, $700MM annual). Adverse side effects are commonly observed with current cancer chemotherapies.

This complex disease is characterized by genetic mutations that lead to uncontrolled cell growth. Cancerous cells are present in all organisms and under normal circumstances their excessive growth is tightly regulated by various physiological factors. One such regulatory process is apoptosis or programmed cell death. When the internal machinery of a cell detects abnormalities in cell division and growth, a signal is propagated within the cell, activating suicide proteins that kill the afflicted cell and prevent its proliferation. Such an apoptotic signal can be triggered when a ligand or drug interacts with a receptor or protein in the cell. Apoptosis in cancer cells can be triggered by a variety of signals. Most pro-apoptotic drugs that are currently on the market (e.g. Doxorubicin and Vincristine) are extremely toxic and cause a number of undesirable side effects. The toxicity of these agents arises from their non-specific interaction with the DNA of certain non-cancerous cells (e.g. intestinal and red blood cells). On the other hand, such side effects can be circumvented if apoptosis is induced in a controlled manner. Our scientists have designed a series of novel and non-toxic pro-apoptotic compounds with potent in vitro and in-vivo activity against several cancers. Based on their mechanism of action, these candidates are expected to cause minimal toxicity.

Competition

Anesthetics

With annual sales in excess of $600 million, AstraZeneca is the world's largest supplier of DIPRIVAN®. Sicor's Propofol is a generic version of DIPRIVAN® with annual sales of $100 million.

Guilford Pharmaceuticals Inc. (Nasdaq: GLFD) announced in June 2003 that it has completed a preliminary analysis of results from two Phase II clinical trials of AQUAVAN® Injection, a novel sedative/hypnotic. The results from the Phase II studies suggest that AQUAVAN® Injection provides rapid onset and rapid recovery from sedation/anesthesia in a convenient dosing regimen and without serious adverse effects. AQUAVAN® Injection is a proprietary water-soluble prodrug of propofol exclusively licensed by Guilford from ProQuest Pharmaceuticals. Unlike propofol, which is formulated in an oil or lipid-based emulsion, AQUAVAN® Injection is formulated in a clear aqueous solution and is rapidly converted by an enzyme in the body called alkaline phosphatase into propofol after intravenous injection. Because of its water-soluble formulation and unique properties, Guilford anticipates that AQUAVAN® Injection may minimize or obviate many of the side effects associated with current sedatives and anesthetics.

In an all-share deal valued at $20 million, SkyePharma plc acquired the rights to RTP Pharma's reformulated version of Propofol. The Canadian nanoparticulate technology specialist has developed a formulation of Propofol that inhibits microbial growth; a recognized problem with current versions that requires opened vials and contaminated tubing to be disposed of after 8-12 hours. Propofol IDD-D 2% is expected to provide uninterrupted sedation for 24 hours, avoids the need for preservatives and reduces the risks of hyperlipidemia and fluid overload associated with current versions

of propofol. In the recently completed Phase II trial, Propofol IDD-D 2% was shown to be similar to Diprivan in terms of pharmacokinetics, anaesthetic efficacy and safety. Propofol IDD-D 2% will commence Phase III trials, involving over 700 patients, by the end of 2003. Propofol IDD-D™ was licensed to Endo Pharmaceuticals for North America at the end of 2002. Endo expects to appoint a European licensee by the end of this year. Propofol IDD-D™ has a target launch date of 2005.

Cancer

Bexarotene (Targretin®, Ligand Pharmaceuticals) is an example of a safe and efficacious pro-apoptotic drug. It was approved on December 29, 1999 as an orphan drug for the treatment of cutanous T-cell Lymphoma and is pending approval for other cancer indications in the US and in Europe. Currently, Targretin® is in phase III clinical trials for non-small cell lung cancer. The drug is being administered to patients in combination with Taxol and Carboplatin. Direct comparison in a variety of cancer cellular assays has shown that Auspex's compounds are an order of magnitude more active than Targretin®. The lead compound in this series has shown efficacy in a colon tumor xenograft model. A number of other tumor xenograft models have also been initiated.

Management Team

Our acting President, Mr. Faramarz Yousefzadeh, J.D., LLM, is a founding member and chairman of Sloan Capital Partners. Dr. Sep Sarshar, Vice-President of Chemistry, completed his Ph.D. with Nobel Laureate E. J. Corey at Harvard University and is currently on the faculty at UCSD. Prior to joining Auspex, he performed cutting-edge research in oncology and diabetes at Pfizer. Dr. Bruno Tse leads the business development team. He is a graduate of the Wharton School of Business and earned his Ph.D. in chemistry from Harvard University. Prior to receiving his MBA, Dr. Tse was a leading scientist at Merck Research Laboratories. Dr. Manou Shahbaz is a veteran biologist with twenty years of academic and industrial experience. He is a leading expert in assay development and high-throughput screening. Auspex is actively seeking a seasoned entrepreneurial scientist to fill the CEO position

Distribution/Marketing Plans

The company plans to enter into strategic partnerships with other pharmaceutical companies in order to secure proper marketing and distribution channels.

Fifth Year Revenue & Earning Projections

$30 MM in royalties and milestones

Chimerix, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Chimerix Inc. is a privately held biotechnology company creating and developing orally available medicines from bioactive molecules.

Application of Chimerix's proprietary chemistry enhances oral availability, stabilizes drug in plasma, and facilitates absorption of drug by cells in target tissues. Known drugs can be modified to improve dosing parameters, broaden therapeutic applications and decrease the risk of adverse reactions. Chimerix technology also enables discovery of new drugs from molecules with chemical properties that would otherwise be unsuitable for pharmaceutical development. Chimerix is applying its technology towards discovery and development of oral drugs for the treatment of smallpox, multi-drug resistant HIV infection, cytomegalovirus infection and viral hepatitis.

Chimerix intends to develop drug candidates through proof-of-concept clinical trials and to license validated clinical candidates to pharmaceutical companies for late stage clinical trials, distribution and marketing. Chimerix is also seeking partners interested in broadening application of Chimerix technology to new therapeutic areas through collaborations and licensing agreements.

Chimerix has executed 2 license agreements with the University of California San Diego that grant Chimerix exclusive rights to develop drugs under a broad patent portfolio covering the Chimerix technology platform as well as specific drug candidates. In addition, Chimerix has established research and development collaborations with the NIAID, the University of Alabama at Birmingham, the United States Army Medical Research Institute of Infectious Diseases (USAMRIID), and St. Louis University.

Chimerix has most recently been awarded a two-year $600,000 Phase I Small Business Innovation Research grant under the Advanced Technology Program of the U.S. National Institute of Allergy and Infectious Diseases (NIAID) of the National Institute of Health. Chimerix will use this grant to support preclinical development of drug candidates for the treatment of multi-drug resistant HIV-1 infection. In September, 2003, Chimerix was awarded a four and a half year, $36.1 million grant from the NAID to fund the development of an oral drug for the treatment of smallpox infection and complications resulting from the smallpox vaccine.

Product/Technology Description:

Chimerix's proprietary chemistry covalently modifies drugs so that they mimic natural lipid metabolites. The resulting "Chimerix" molecule (half drug/ half carrier) is absorbed from the intestine intact and distributed throughout the body utilizing natural processes for the uptake and distribution of lipids. Once internalized by cells in tissues the lipid carrier portion of the molecule is released through the action of enzymes involved in cellular lipid metabolism.

Company Profile:

Address:
11149 North Torrey Pines Road
Second Floor, Suite 200
La Jolla, CA 92037

Forum Participants:
Kevin P. Anderson, Ph.D.
Timothy Riley, Ph.D.

Phone:
(858) 200-0400

Fax:
(858) 200-0401

Sector:
Life Sciences

Homepage:
www.chimerix-inc.cm

Legal Form:
Chimerix, Inc.

Amount of Capital Raised:
5.3M through Series A

Date Established:
4/7/2000

Funding Sought:
10 M Series B

Number of Employees:
11

Current Investors:
Sanderling Asset Management

Stage of Development:
Preclinical, seeking Series B funding

New drug candidates and lead compounds have been created by applying Chimerix technology to existing drugs that have limited clinical applications due to undesirable ADME (absorption, distribution, metabolism, elimination) limitations or toxicity profiles. Chimerix is currently pursuing the development of clinical candidates for the treatment of smallpox infection, cytomegalovirus infection, multi-drug resistant HIV infection and viral hepatitis.

Industry Overview:

Chimerix has programs ongoing to address clinical needs in government bioterrorism and commercial markets including smallpox (category A bioterrorism threat), multi-drug resistant HIV-1 infection, and Hepatitis C. Significant validation of Chimerix's technology in the therapeutic areas of smallpox and multi-drug resistant HIV infection comes from the NIH in two grants funding further development of preclinical drug candidates.

Competition:

Chimerix has the ability to rapidly solve the delivery problems and toxicity of an existing drug through a one-step chemical conversion of a lead compound to create an improved, orally available, targeted and readily distributed pharmaceutical. This approach differs from traditional approaches using formulations or delivery devices.

Distribution/Marketing Plans:

Chimerix will sell drug products for bioterrorism targets directly to government agencies. Drug products for commercial markets will be developed and marketed through licensing arrangements with third parties.

Fifth Year Revenue & Earning Projections:

Sales of an oral smallpox drug to the U.S. government are anticipated under the Bioshield program.

Management Team:

George R. Painter, Ph.D.-President and CEO

George Painter has twenty-four years of experience in the discovery and development of pharmaceutical agents, and most recently held the position of Executive Vice President, Research and Development, at Triangle Pharmaceuticals where he was a member of the founding management team. In addition to his management experience at Triangle Pharmaceuticals, Dr. Painter held positions at Burroughs Wellcome Co. beginning in 1983 including Director of Chemistry and Director of Virology. Subsequently, he served as Director of Research Process and International Deputy Therapeutic Head for Antiviral Research at Glaxo Wellcome Inc. Dr. Painter is a co-inventor of over forty-five patents, six of which have led to approved commercially available drugs or combinations of drugs for the treatment of HIV and hepatitis B. He has led international teams, which generated data for nine investigational new drug applications and three new drug applications. Dr. Painter earned a B.S. in chemistry, an M.S. in physical organic chemistry and a Ph.D. in synthetic chemistry from Emory University.

Kevin. P. Anderson, Ph.D. - Vice President, Business Development

Dr. Anderson has 20 years of experience at premier biopharmaceutical companies. Prior to joining Chimerix, Dr. Anderson was Executive Director of Business Development at Isis Pharmaceuticals. Prior to assuming business development responsibilities, he directed the Department of Infectious Diseases at Isis where he was responsible for discovery and early development of Vitravene, an FDA approved treatment for CMV retinitis, and, ISIS 14803, a drug candidate in clinical trials for the treatment of Hepatitis C Virus infection. Dr. Anderson was served as an investigator in the Departments of Pharmacology and Medicinal and Analytical Chemistry at Genentech, Inc. He has authored 41 publications in scientific journals, and is a co-inventor on 11 issued US Patents. Dr. Anderson earned a Ph.D. degree in Molecular Biology and Biochemistry and an MBA degree from the University of California at Irvine. He also holds a B.A. degree in Bacteriology from the University of California Los Angeles.

Merrick R. Almond, Ph.D. - Vice President, Chemistry

Merrick Almond came to Chimerix most recently from Triangle Pharmaceüticals where he was Director, Chemistry. Dr. Almond was responsible for establishing a process exploration and optimization group that invented novel processes for five compounds under development at Triangle. Dr. Almond chaired Triangle's Patent Committee. Prior to Triangle, Dr. Almond spent 9 years in various research positions at Burroughs Wellcome, and held the position of Research Investigator at Glaxo Wellcome. During his time at Wellcome he was a recipient of the Wellcome Synthetic Organic Achievement Prize. Dr. Almond earned a B.S. in Biochemistry from the College of Environmental Science and Forestry in Syracuse, NY, and a Ph.D. in medicinal chemistry from Purdue University. He completed his postdoctoral research at Duke University. He has published 18 scientific papers, co-authored one review article, and is co-inventor of several patents.

Rosemary O'Mahony, Ph.D. - Vice President, Development

Rosemary O'Mahony has 14 years of experience in the development of pharmaceutical agents, and most recently held the position of Director, Chemical Development, at Triangle Pharmaceuticals. As the Director of Chemical Development Dr. O'Mahony was responsible for the large scale manufacture of bulk drug substance and was a key participant in the strategic alliance between Triangle and Abbott Laboratories. Dr. O'Mahony began her development career in the Chemical Development Group at Burroughs Wellcome and subsequently held several positions at Glaxo Wellcome including Team Manager, Chemical Development and Project Manager in the Worldwide Project Management Group. Dr. O'Mahony earned a B.S. in chemistry from Montclair State College and a Ph.D. in synthetic organic chemistry from the University of North Carolina at Chapel Hill.

Diakron Pharmaceuticals

UCSD CONNECT™ where entrepreneurs come for results

Company Overview:

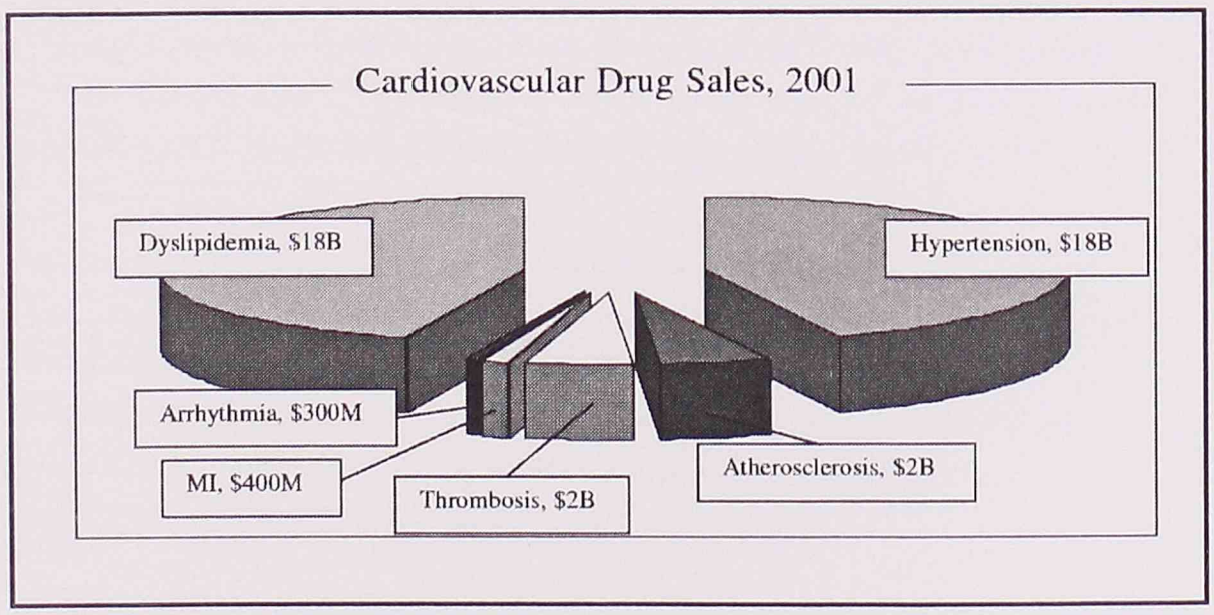
Diakron Pharmaceuticals, Inc. is a cardiovascular drug development company focused on developing clinically differentiated products for major unmet medical needs. The company currently has programs targeting hypertension, angina, chronic heart failure, dyslipidemia and metabolic disease.

Product/Technology Description:

- The company's T-type Calcium Channel Blocker Program includes 60+ novel small molecules one of which has been selected as a prototype lead drug candidate. This lead drug candidate has demonstrated an excellent pharmacological profile versus currently available drugs in the well established Spontaneously Hypertensive Rat (SHR) model for hypertension.
- The company's HDL Agonist Program includes a highly purified plant extract that is orally available and has demonstrated the ability to lower total cholesterol (20-30%) while significantly increasing HDL levels (50%) in an animal model of hyperlipidemia. The company expects to have the active moiety isolated from a single spot TLC in the next few months.
- The company's Metabolic Disease Program includes a series of highly purified plant extracts that have been shown to lower blood glucose and glycosylated hemoglobin in animal models. The company has isolated and identified one active component and is pursuing the isolation of the other active moieties for the treatment of type I and type II diabetes.

Industry Overview/ Competition:

The cardiovascular drug market is the largest of all therapeutic categories and was estimated at $44 billion with a 9% growth rate for all segments combined (Merrill Lynch, 2001). New product introductions have been a significant driver to growth in recent years. Over the next 5 years, there will be a number of drugs from several major drug classes (ACE inhibitors, Calcium Channel Blockers and HMG Co A Reductase Inhibitors) that will see the expiration of exclusivity or come off patent that could lead to shifts in the market dynamics of the sec-



Company Profile:

Address:
5626 Oberlin Drive,
Suite 100
San Diego, CA 92121

Forum Participants:
Timothy Scott, CEO
Srirama Rao, CSO

Phone:
(858) 587-8783 x104

Fax:
(858) 587-8771

Sector:
Life Science

Homepage:

Legal Form:
CA C Corp

Amount of Capital Raised:
$950,000

Date Established:
12/88

Funding Sought:
$15M

Number of Employees:
3

Current Investors:
Founders
Windamere VP
Pharmatek Laboratories

Stage of Development:
Pre-Series A

tor and potential opportunities for new entrants. The following is the breakdown of cardiovascular drug sales taken from the 2001 list of the top 200 selling drugs for all categories.

The hypertension market includes three major classes of drugs, the angiotensin converting enzyme (ACE) inhibitors, calcium channel blockers (CCB) and the angiotensin II receptor blockers (ARB) each comprising roughly one third of the market. The angiotensin II receptor antagonists are the newest and fastest growing class, while the entire hypertension category is dominated by Pfizer's calcium channel blocker, Norvasc with $3.6B in 2001 worldwide sales. Patent protection on Norvasc is scheduled to expire in 2007. The dyslipidemia market today is almost exclusively comprised of the HMG CoA reductase inhibitor class of drugs (i.e. statins) with Zocor and Lipitor splitting 70% of the market with 2001 worldwide sales of $6.5B each.

Competition:

See above

Distribution/Marketing Plans:

Diakron is a cardiovascular drug development company and will be looking to negotiate distribution and marketing of its compounds with appropriate big pharma partners.

Fifth Year Revenue & Earning Projections:

Management Team:

Timothy Scott, Co-Founder and CEO

Mr. Scott is co-founder and President of Pharmatek Laboratories, a pharmaceutical chemistry development company. He is a member of the Tech Coast Angels, providing due diligence and drug development expertise for TCA's BioMedTrak screening group. Mr. Scott serves on the Board of Directors for Orphagen Pharmaceuticals, an orphan nuclear receptor discovery company. He earned a B.A. in biochemistry from the University of California, San Diego, a J.D. from the University of San Diego and is a member of the California Bar.

Srirama Rao, Ph.D., Co-Founder and CSO

Dr. Rao is Vice President of Research and Division Head of Vascular Biology at the La Jolla Institute of Molecular Medicine. He is co-founder of Mardil, Inc., a cardiovascular device company. Previously, he was a research scientist at Pharmacia's Experimental Medicine Division. Dr. Rao holds a Ph.D in Immunology.

Shayne Gad, Ph.D. DABT, ATS, Director, Clinical/Regulatory

Dr. Gad is Principal of Gad Consulting Services. His experience includes safety assessment and product development in the pharmaceutical, biotechnology, medical device and chemical industries. Dr. Gad has published 28 books and more than 300 chapters, articles and abstracts in the fields of toxicology, statistics, pharmacology and safety assessment. He has written and filed 58 INDs plus numerous BLAs, PLAs, 510(k)s, IDEs, NDAs, PMAs and CTDs.

Halozyme Therapeutics, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Overview

Halozyme Therapeutics, Inc. (San Diego, CA), founded in 1998, is a therapeutically driven biopharmaceutical company dedicated to the development and commercialization of recombinant human enzymes for the infertility, ophthalmology, and oncology communities. The company's broad product portfolio is based on intellectual property covering the family of human enzymes known as hyaluronidases. The company's lead products offer a safe and pure alternative to existing slaughterhouse-derived extracts that carry risks of animal pathogen contamination and immunogenicity. The commercialization of Hyalozyme's highly versatile enzyme technology within proven markets will enable the company to significantly impact the quality of medicine while creating long-term shareholder value.

Technology

Halozyme's patented technology is based on recombinant human PH20 (rHuPH20), a human synthetic hyaluronidase that degrades hyaluronic acid (HA), a space-filling "cement"-like substance that is a major component of tissues throughout the body (e.g., skin, cartilage). The PH20 enzyme is a naturally occurring enzyme that digests HA to break down the cement, thereby facilitating the penetration and diffusion of other drugs that are injected subcutaneously (i.e., in the skin), intramuscularly (i.e., in the muscle), or intravenously (i.e., in the vein).

The successes of replacing animal product derived drugs with human recombinant biologics are well documented (e.g., Insulin, Pulmozyme, Human Growth Hormone). Halozyme is executing this "tried-and-true," reduced-risk recombinant human enzyme replacement strategy by leveraging the superior safety and efficacy of its products to dominate key markets in multiple therapeutic areas, beginning with in-vitro fertilization (IVF) and ophthalmology, and extending into oncology.

Halozyme's proprietary technology will both expand existing markets and create new ones. Despite the many potential therapeutic applications for hyaluronidase, there are many problems with existing and potential non-human product offerings, creating the need for alternative solutions.

- **Prion disease:** All such commercial enzyme preparations are crude extracts from cattle testes (typically <1-5% pure), an organ with the highest concentration of hyaluronidase, but also with the highest levels of a protein implicated in the development of neurodegenerative disorders associated with prion disease (e.g., "Mad Cow Disease").
- **Immunogenicity:** Hyaluronidases can also be found in bacteria, leeches, certain venoms, and marine organisms. Very few companies are pursuing clinical development of any of these enzymes. Regardless, all such preparations are non-human, and are therefore likely to elicit potent immune reactions, possess endotoxin, or have similar deficiencies as slaughterhouse derivations.

Company Profile:

Address:
11588 Sorrento Valley Road
Suite 17
San Diego, CA 92121

Forum Participants:
Mark Wilson, Jonathan Lim MD, Gregory Frost PhD,

Phone:
(858) 794-8889

Fax:
(858) 259-2539

Sector:
Biotechnology/Pharmaceutical

Homepage:

Legal Form:

Amount of Capital Raised:
$3.8 million

Date Established:
02/26/1998

Funding Sought:
n/a

Number of Employees:
15

Current Investors:
n/a

Stage of Development:

Products

Cumulase™ is an ex vivo formulation of rHuPH20 to replace the bovine and ovine enzymes currently used for the preparation of oocytes prior to IVF and cryopreservation during the process of ICSI (intracytoplasmic sperm injection), in which the enzyme is an essential component. The FDA considers hyaluronidase IVF products to be medical devices subject to 510K approval, presenting a unique opportunity to bring rHuPH20 technology to market in late 2004. The total Cumulase™ market consists of nearly 500,000 ICSI (intracytoplasmic sperm injection) cycles worldwide in 2004.

Enhanze™ SC is a low unit, fast-acting local formulation of rHuPH20 to replace Wydase®, Wyeth's discontinued bovine enzyme previously used for over 50 years as a drug delivery agent to enhance diffusion of local anesthesia for ophthalmic surgery (mostly cataract surgery). The market is currently served with bovine slaughterhouse preparations sold by compounding pharmacies. As a result, Wydase® is on the FDA's drug shortage list, potentially creating an efficient regulatory pathway for Enhanze™ SC. The total market consists of approximately 6.4 million local anesthesia procedures worldwide in 2004.

Chemophase™ is a high unit, intravenous or local formulation to deliver chemotherapy to previously chemorefractory tumors in patients with brain, breast, head and neck, colon, lung, and other malignancies that accumulate hyaluronic acid. Bovine material proved effective in Phase II clinical trials with pediatric brain tumors. The key shortcomings of the bovine enzyme that limited its commercialization potential were immunogenicity to the animal proteins; poor systemic bioavailability; and an inefficient manufacturing process. Halozyme addresses all of these shortcomings with a highly purified human recombinant product that eliminates animal immunogenicity; lasts in the bloodstream much longer than the bovine enzyme; and is manufactured with a highly efficient, scaleable process. The market for cancer biologics (e.g., Herceptin for breast cancer, Rituxan for Non-Hodgkin's Lymphoma) was approximately $8 billion in 2000, and is expected to grow to nearly $20 billion by 2005. Cytostatic agents alone are expected to reach $4 billion in sales by 2004, enabling Halozyme to develop a potential breakthrough chemoadjuvant drug for treatment of multiple solid tumor types.

Our Strategy

Halozyme is pursuing a tried-and-true, reduced-risk recombinant human enzyme replacement strategy to pursue a number of attractive near-term market opportunities that can generate early cash flows that can then be leveraged into a number of large market opportunities. The early cash flows from the low-hanging fruit opportunities will then be leveraged to develop the most promising long-term growth opportunities internally en route to building a company of lasting value.

Patents and Proprietary Rights

Halozyme's intellectual property portfolio includes six recently issued and four pending composition of matter and utility patents encompassing all four of the clinically relevant human hyaluronidase enzymes. Halozyme's patent position surrounding recombinant human hyaluronidases and their methods of manufacture is a key barrier to entry. Patent protection from pending applications will extend the life of Halozyme's IP estate for decades to come. This IP position is fortified by the lack of generic recognition by regulatory agencies for recombinant biologics, preventing drug approval based upon minimal clinical equivalence testing. Furthermore, catalytic enzymes are not amenable to structural modifications. This presents major technical hurdles in molecular engineering to generate a structurally unrelated enzyme that is competitive with human recombinant hyaluronidase. Given these constraints, development efforts by competitors are highly unlikely in this arena.

Additional exclusive assets include proprietary know-how (e.g., glycosaminoglycan substrates; up-downstream targets, complexes, and pathways; screening and Q/C assays; inhibitor screening) and dedicated in-house laboratory facilities (e.g., pilot scale protein production and purification lab; mini-vivarium and surgical suite; molecular biology and analytical lab).

Development and Manufacturing

Halozyme's superior position is further bolstered by an exceedingly low cost of sales. At a pre-optimized

production of over 30,000 doses per liter (1 µg / dose), the company will have an attractive cost of sales and maximal pricing flexibility to maintain profitability and deter competitors. Proof of concept studies with rHuPH20 for Enhanze™ SC and Cumulase™ are complete. Upstream and Downstream process development and validation procedures are in progress, and the cGMP manufacturing runs, using a local contract manufacturing organization, are scheduled for Q2 2004.

Management

Executive Officers

Jonathan E. Lim, MD, President, Chief Executive Officer, and Director. Prior to Halozyme, Dr. Lim was a management consultant at McKinsey & Company, where he specialized in health care, serving a wide range of start-ups to Fortune 500 companies in the biopharmaceutical, medical products, and payor/provider industries. Prior to McKinsey, Dr. Lim was a recipient of a National Institutes of Health Postdoctoral Fellowship, during which time he conducted clinical outcomes research at Harvard Medical School. He has published articles in leading peer-reviewed medical journals such as the Annals of Surgery and the Journal of Refractive Surgery. Dr. Lim's prior experience also includes clinical training in general surgery at the New York Hospital-Cornell Medical Center and Memorial Sloan-Kettering Cancer Center; Founder and President of a seed-stage health care company; Founding Editor-in-Chief of the McGill Journal of Medicine; and basic science and clinical research at the Salk Institute for Biological Studies and Massachusetts Eye and Ear Infirmary. Dr. Lim is currently a California-licensed physician and member of the strategic planning committee of the American Medical Association. He earned his BS with honors and MS degrees in molecular biology from Stanford University, his MD degree from McGill University, and his MPH degree in health care management from Harvard University.

Gregory I. Frost, PhD, Vice President, Chief Scientific Officer, Director, and Co-Founder. Dr. Frost has spent more than ten years researching the hyaluronidase family of enzymes. From 1998 to 1999, Dr. Frost was a Senior Research Scientist at the Sidney Kimmel Cancer Center (SKCC), where he focused much of his work developing the hyaluronidase technology. Prior to SKCC, his research in the Department of Pathology at the University of California, San Francisco, led directly to the purification, cloning, and characterization of the human hyaluronidase gene family, and the discovery of several metabolic disorders. He has authored over 13 scientific peer-reviewed and invited articles in the Hyaluronidase field, is an inventor on numerous patents, and has been the recipient of federal grants. Dr. Frost's prior experience includes serving as a scientific consultant to a number of biopharmaceutical companies, including Q-Med (SE), Bayer (Berkeley, CA), Biophausia AB (SE), and Active Biotech (SE). Dr. Frost is registered to practice before the US Patent Trademark Office, and earned his BA in biochemistry and molecular biology from the University of California, Santa Cruz, and his PhD in the department of Pathology at the University of California, San Francisco, where he was an ARCS-Scholar.

David A. Ramsay, MBA, Vice President & Chief Financial Officer. Mr. Ramsay brings to Halozyme 17 years of corporate financial experience spanning several industries. Most recently he was Vice President, Chief Financial Officer of Lathian Systems, a leading provider of technology-based sales solutions for the life sciences industry. Prior to Lathian, Mr. Ramsay was the Vice President, Treasurer of ICN Pharmaceuticals, a multinational, specialty pharmaceutical company with approximately $800 million in revenue and a market capitalization of $3 billion at the time. Mr. Ramsay joined ICN in 1998 from ARCO, where he spent four years in various financial roles, most recently serving as Manager of Financial Planning & Analysis for the company's 1,700-station West Coast Retail Marketing Network. Prior to ARCO, he served as Vice President, Controller for Security Pacific Asian Bank, a $500 million subsidiary of Security Pacific Corporation. He began his career as a Senior Auditor (CPA) at Deloitte & Touche after graduating from the University of California, Berkeley with a BS degree in Business Administration. Mr. Ramsay earned his MBA degree with a dual major in Finance and Strategic Management from The Wharton School at the University of Pennsylvania.

Don A. Kennard, Vice President of Regulatory Affairs & Quality Assurance. Mr. Kennard brings to Halozyme nearly 30 years of professional senior management experience in the fields of regulatory affairs (RA), clinical programs, and quality assurance (QA). He has worked directly with the U.S. Food and Drug Administration (FDA), as well as regulatory authorities of various foreign ministries of health, to secure registration, authorize commercialization, and successfully implement quality programs, for a broad range and extensive number of product approvals across pharmaceuticals, biologics, medical devices, and diagnostics. Prior to Halozyme, Mr. Kennard was Vice President of Worldwide RA/QA at Quidel, Inc., an $80 million manufacturer of diagnostic products, where he led the RA/QA and Clinical functions to increase product approvals by 40% and increase sales volume by 22%, while also establishing a Quality System CE marking program that enabled Quidel to expand and sustain sales in the EU. From 1991 to 2001, he was Vice President of RA/QA/R&D for Nobel Biocare, Inc. and Steri-Oss (acquired by Nobel Biocare), where he directed all regulatory affairs, quality assurance, clinical trials, and R&D activities. From 1981 to 1991, Mr. Kennard was Director of RA/QA at Allergan, Inc., where he directed RA/QA/QC in the development and manufacture of prescription and OTC ophthalmic and dermatological drugs, injectable drugs, biotechnology products (e.g., Botox), and ophthalmic products (e.g., contact lens, intraocular lens). Prior to Allergan, he was Director of Quality Control at B. Braun. Mr. Kennard holds a BS degree in Microbiology and a Regulatory Affairs Certificate.

Carolyn M. Rynard, PhD, Vice President of Product Development & Manufacturing. Dr. Rynard's career in drug development spans 20 years in the pharmaceutical and biotech industries. Her broad experience includes project management, formulation, manufacturing, clinical supplies, validation, medical devices, and drug delivery systems. Prior to Halozyme, Dr. Rynard was Vice President of Product Development at Medinox, Inc., where she was directly responsible for Medinox's Chemistry, Manufacturing, and Controls (CM&C), formulation, analytical methods, and specification development. From 1994 to 2001, she worked for Amylin Pharmaceuticals, Inc., a San Diego, California-based pharmaceutical company where she held various positions of increasing responsibility, serving most recently as Senior Director of Product Development. At Amylin, Dr. Rynard managed seven functional areas and wrote CMC secions for US NDA and INDs; European MAA and CTX regulatory filings; as well as device 510(k) and CE mark technical files. Prior to joining Amylin, Dr. Rynard held various R&D positions at Baxter Healthcare and at Du Pont. Dr. Rynard earned her BSc degree in Chemistry and Biochemistry from the University of Toronto, and her PhD in Physical and Organic Chemistry from Stanford University.

Mark S. Wilson, MBA, Vice President of Business Development. Mr. Wilson has spent more than 15 years in the biotechnology/pharmaceutical industry, having most recently served as Founder and CEO of Biophysica Science, Inc. and Director of Strategic External Alliance Management at Pfizer Global R&D - La Jolla. From 1996 to 2001, Mr. Wilson was Associate Director of Materials at Agouron Pharmaceuticals, Inc., where he identified and negotiated international supply agreements in excess of $120 million annually and served as Materials Manager for the launch of Viracept™. From 1991 to 1996, Mr. Wilson was an Associate Director at Gensia Laboratories, Ltd., where he directed a wide range of business operations. Prior experience also includes various management and operational roles at Hybritech, Ferro Corporation, and TRW, Inc. Mr. Wilson earned his BS degree in engineering from the University of California, Berkeley, and his MBA degree at the Anderson Graduate School of Management at the University of California, Los Angeles.

Louis H. Bookbinder, PhD, Director of Biochemistry. Dr. Bookbinder has extensive experience in the biotechnology industry, serving as a Consulting Research Scientist to a number of companies, including Molecular Diagnostic Solutions-USA (San Diego, CA), Zygam, Inc. (Vista, CA), Mycoferm Technologies (Bellevue, WA), and Syrrx, Inc. (San Diego, CA), from 2001 to 2002. From 1995 to 2001, he was a Principal Investigator and Senior Staff Scientist at Tera Biotechnology Corporation (San Diego, CA) and Favrille, Inc. (San Diego, CA), a VC funded spin-off of Tera Biotechnology. Dr. Bookbinder's scientific back-

ground includes Senior Research Scientist at the Sidney Kimmel Cancer Center; Research Scientist at the La Jolla Institute for Experimental Medicine; Research Fellow at the Scripps Research Institute; and Senior Research Fellow at the University of Washington. He has authored multiple scientific peer-reviewed articles in leading journals such as Science, Journal of Cellular Biology, and FASEB, and is a named inventor on numerous patents. Dr. Bookbinder earned his BA in biology at the University of California, Los Angeles, his MS in zoology at the University of Maine, Orono, and his PhD in biology at the University of California, San Diego.

Directors

Ira M. Lechner, Director and Chairman of the Board. Mr. Lechner currently serves as chairman of the board of the Sidney Kimmel Cancer Center in San Diego. This is an extension of a prestigious career in law, service as a Virginia state legislator, and a long history of trustee-level involvements in many organizations. Prior to assuming the Board Chairmanship, Lechner served as SKCC's Vice Chairman of the Board of Trustees and as Chair of the SKCC Development and Planned Giving Committees. He currently serves on the Board of the Council on Higher Education Accreditation, and previously served as Vice Chair of the Randolph-Macon College Board of Trustees.

Edward L. Mercaldo, Director. Mr. Mercaldo is a Financial Consultant and private investor, following his successful career as an International Commercial and Investment Banker for several leading companies including Bank of Montreal, Bankers Trust Company of New York, Gordon Capital and First Marathon Securities. Mr. Mercaldo also served as Executive Vice President, Chief Financial Officer and Director of Diamond Fields Resources, Inc., and following the purchase of Diamond Fields by Inco Ltd. in August 1996, he continued as a Director of Inco until September 2000.

John S. Patton, Ph.D., Director. Dr. Patton is co-Founder and Vice President, Research of Nektar Therapeutics (formerly Inhale Therapeutic Systems). He is a world-renowned expert in the delivery of peptides and proteins. Before co-founding Inhale, John led the drug delivery group at Genentech, Inc., where he demonstrated the feasibility of systemic delivery of large molecules through the lungs. Prior to joining Genentech, Inc., he was a tenured professor at the University of Georgia. He has published a wide range of articles and has presented his work in national and international arenas. Dr. Patton received his Ph.D. in Biology from the University of California, San Diego, and held post-doctoral positions in biomedicine at Harvard Medical School and the University of Lund in Sweden. Dr. Patton is both a personal investor in Halozyme and Chairs the Scientific and Clinical Advisory Board.

MaxoCore Pharmaceuticals Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

MaxoCore Pharmaceuticals Inc., uses a smart knowledge based approach for rapid discovery and development of novel small molecule drugs for metabolic disorders and certain areas of cancer. Maxocore was founded in Mid 2003 by Magnus Pfahl, Ph.D., who has extensive biotech experience. The company has already developed an exceptional pipeline of potential blockbuster drug candidates for the large number of Obese, Diabetic and Hypercholesterolemic patients in the U.S. and world-wide. The first product is a new class of compounds synthesized at MaxoCore that target a nuclear receptor called RXR. These molecules will be developed for the treatment of Type 2 Diabetes, Metabolic Syndrome, Hypercholesterolemia and Atherosclerosis. The second class of compounds were in-licensed from an University. They target the nuclear PPAR receptor and are effective in the treatments for Dyslipidemia and Hyperglycemia and Obesity. For cancer, new molecules have been made at MaxoCore that can be used as a novel treatment for both Acute and Chronic Myelogenous Leukemia (AML and CML). The company is built on exceptional expertise in ligands for its nuclear receptor targets and its team has overcome obstacles not mastered by others, now opening a way to new blockbuster drugs for unmet medical needs. MaxoCore's competitive advantage and core competency lies in its exceptional inventions based in its leading knowledge and its Integrated Team Approach to develop novel drugs that target multiple diseases in one pill.

Product/Technology Description:

1. RXR Drugs

Our first class of unique drug candidates are small molecule drugs for Type 2 Diabetes, Hypercholesterolemia, Metabolic Syndrome and Atherosclerosis with already proven in vivo activity in animal models. Our RXR ligands are potent insulin sensitizers that also lower LDL cholesterol and increase HDL (good cholesterol) a task not achieved by any existing drug. These drugs also avoid undesirable side effects seen with the presently prescribed insulin sensitizers.

2. PPAR Drugs

Our second line of products target the PPARs (a, g, d) which play critical roles in glucose and lipid control. MaxoCore has in-licensed a group of very promising new PPAR compounds from which PPAR a and d agonists and PPAR ag and gd dual agonists will be developed that have superior characteristics to existing drugs in this area. First drug candidates have already demonstrated superior activity than the clinically used fibrates (PPAR a agonist) in an animal model and will be developed as effective treatments for Dyslipidemia, Hyperglycemia, Obesity and Atherosclerosis (they increase good cholesterol. HDL). These drug candidates are protected by issued patents in the US and worldwide.

Company Profile:

Address:
10835 Altman Row
Suite 250
San Diego, CA 92121

Forum Participants:
Magnus Pfahl, Ph.D
Mubarack Muthalif, Ph.D.

Phone:
(858) 646-0900 Ext. 238

Fax:
(858) 646-0999

Sector:

Homepage:

Legal Form:
Incorporation Delaware

Amount of Capital Raised:
Seed Funding

Date Established:
June 2003

Funding Sought:
$ 5 Million

Number of Employees:
10

Current Investors:
None

Stage of Development:
Biotech, Preclinical

3. Inhibitors for FLT-3 and c-ABL kinases

Our lead molecule specifically inhibits the kinases FLT-3 and c-ABL and is very effective against leukemia cells derived from AML patients that carry FLT-3 mutations. The inhibition of c-ABL by the marketed drug Gleevec is an effective treatment of CML; however, this drug is ineffective against AML. MaxoCore's drug candidate is unique since it inhibits both FLT-3 and c-ABL and should therefore become a "Super Gleevec" that can treat both AML and CML.

Technology Description

MaxoCore uses a knowledge-based approach (that does not require high throughput screening) combining its knowledge in small molecule ligand design for nuclear receptors with a smart in-licensing approach to rapidly select new drug candidates. Drug discovery is accelerated by an exceptional integrated approach that allows new design and synthesis of compounds, their screening in vitro and their testing in an animal model within a few weeks time (compared to a year or more in a traditional pharmaceutical approach). Previous success of its founder and CSO include an approved and marketed drug, a molecule in phase III trials for lung cancer and another new molecule about to enter clinical trials for Type 2 Diabetes.

Industry Overview:

Metabolic diseases have now reached epidemic proportions worldwide and have become one of the most prevalent chronic diseases. There are approximately 17 million people who suffer from Diabetes in the U.S. alone and 180 million patients worldwide. Poor diet, lack of exercise, aging population and genetic predisposition are expected to increase the incidence of the disease in the coming decade. A potential 120 million people need cholesterol modulating therapy (lowering LDL the bad cholesterol and increasing HDL, the good cholesterol). This market space is forecasted to be the largest (38% of total drug market) with a worldwide sale of $20-80 billion. The enormous size of the patient population and limitations of the existing therapies in reducing severe complications and altering disease progression represent vast, untapped commercial opportunity.

Competition:

Actos and Avandia are a new class of insulin sensitizer antidiabetic drugs that target PPAR g receptor. They offer an important option of therapy but also are associated with weight gain and potential risk of heart failure. Statins are widely used cholesterol lowering drugs, but they have potentially dangerous side effects that weaken muscles and damage the liver. Moreover, the leading statins are only effective in lowering the synthesis of cholesterol from liver. They do not affect the Diet-induced accumulation of cholesterol nor do they increase HDL significantly. There is huge potential for the development of drugs that target diet derived multiple metabolic disorders including hypercholesterolemia. MaxoCore's drugs lower blood sugar, lower total cholesterol and more importantly increase HDL. There are presently no such drugs available although they are urgently needed.

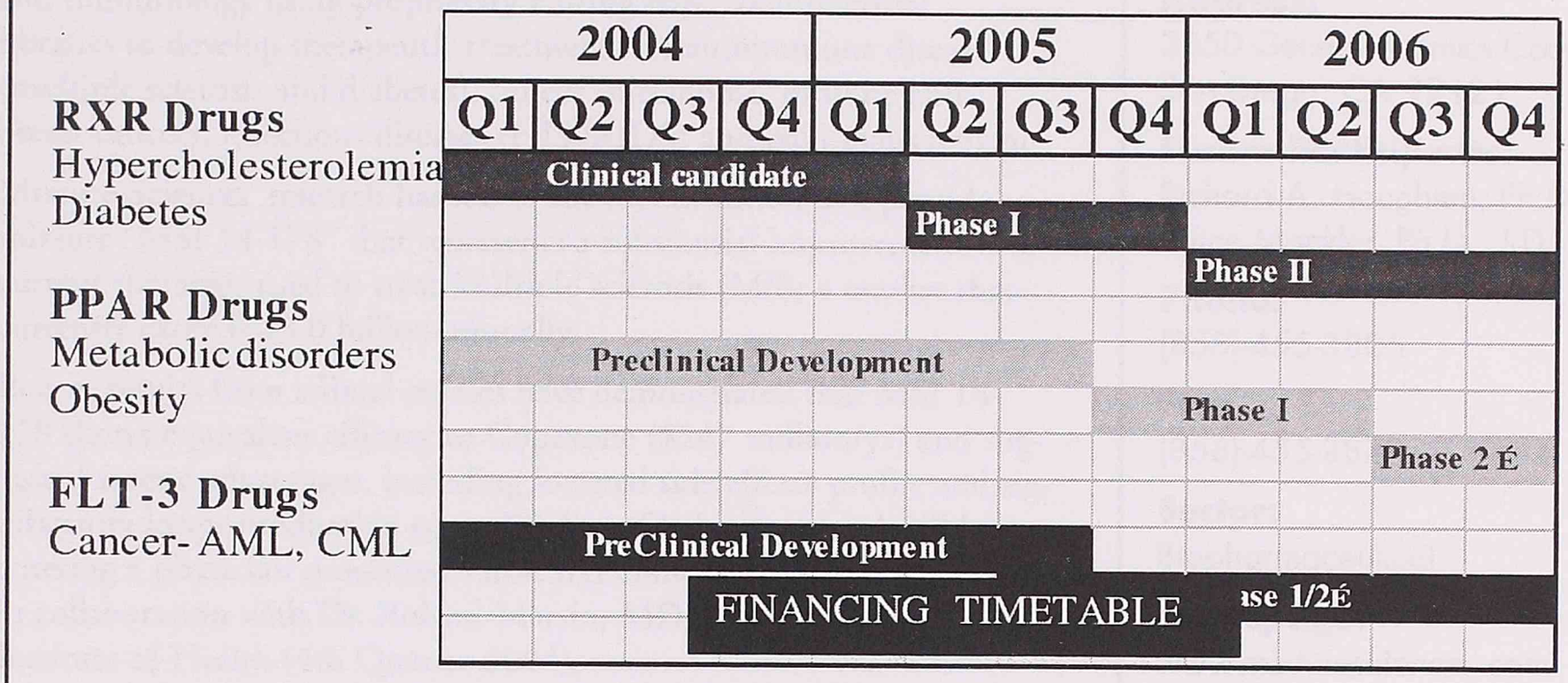
Distribution/Marketing Plans:

The company will partner its metabolic disorder drugs worldwide taking co-marketing options for the U.S. aiming for up to $1 billion in revenue from its metabolic disease program. For cancer drugs the company will maintain marketing or co-marketing rights for the U.S. and seek a partner(s) for the rest of the world also allowing for several $100 million in revenue.

Fifth Year Revenue & Earning Projections:

MaxoCore plans to raise Series A funding of approximately $5 million to continue its drug development. MaxoCore also has initiated partnering discussions with major pharmaceutical companies for developing its metabolic disorder drugs and aims to close at least one collaboration deal in 2004. These financing events will allow MaxoCore to enter 2 to 3 drugs into the clinic during 2005. Based on this MaxoCore can raise Series B funds of approximately $20 million by December 2005. With these resources MaxoCore plans to advance two products with blockbuster potential into phase II in 2006. By the end of 2006, MaxoCore will be positioned for an initial public offering or merge with a public company or undergo acquisition by a major pharmaceutical firm. By the end of the 5 th year MaxoCore will have one or more products in

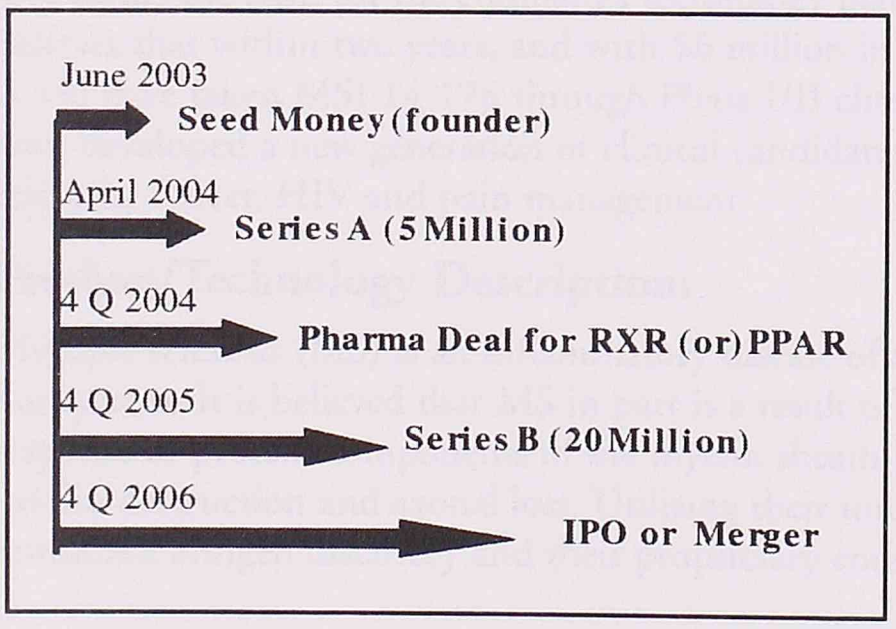
Milestone TimeLine



phase III and is likely to submit its first cancer drug for approval. Provided no major market upsets the company should have a market valuation of $500 to 1000 Million.

Management and Key ScientificTeam:

Magnus Pfahl, Ph.D.: Founder, President & CEO is an experienced biotech executive and world known leader in nuclear receptor technology with more than 30 years on research, discovery and drug development. He received his Ph.D from the University of Cologne, Germany and held professor positions at leading San Diego research institutions such as the Salk Institute, Burnham Institute, Sidney Kimmel Cancer Center. He has authored more than 120 scientific paper and over a dozen patents. He founded Maxia Pharmaceuticals and served as President, CEO and Chairman of the company and successfully merged with Incyte Corporation. He raised more than 30 million for Maxia Pharmaceuticals and closed major collaboration deals with international pharmaceutical companies.



Mubarack Muthalif, Ph.D., (MBA): Director of Business Development and Operations. He received his Ph.D from the University of Maryland, College Park and completing his MBA at San Diego State University with a major in Finance and Entrepreneurship. He has ten years of cardiovascular, cancer and inflammation research and drug development experience and held key scientific leadership positions at Maxia Pharmaceuticals and Incyte. He has authored 25 scientific publications. He also has held instructor positions at the University of Tennessee, College of Medicine and at the University of California San Diego Bioscience extension program.

Young Yang, Ph.D: Director of Chemistry. He received his Ph.D from the University of Arizona and postdoctoral training at the Medical University of South Carolina. He held instructor position at the Albert Einstein College of Medicine. He has more than 21 years of medicinal and analytical chemistry experience at Incyte, Maxia Pharmaceuticals, Cytel and Sigma-Aldrich.

Mixture Sciences, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Mixture Sciences, Inc. (MSI) combines the disciplines of chemistry and immunology using proprietary cutting edge combinatorial libraries to develop therapeutic treatments for autoimmune disease (multiple sclerosis and diabetes), cancer (melanoma, prostate and breast cancer), infectious diseases (HIV/AIDS) and pain management.

Mixture Sciences' research has led to the identification of a peptide mixture "MSI 14-178" that represents a substantial improvement over current therapies used to treat Multiple sclerosis (MS); a market that currently exceeds $3.0 billion/annually.

Recent results from animal studies have demonstrated that MSI 14-178 shows equivalent efficacy to Copaxone ($247 million/yr) and suggested several advantages, including lowered side effects profile and significantly lower production costs. We have filed patents and will be entering a physician sponsored Phase I/II clinical trial for MSI 14-178 in collaboration with Dr. Roland Martin, MD at the National Institute of Health (4th Quarter 2004).

Similarly MSI's proprietary expertise in chemistry and immunology has led to a series of clinical leads for potent immulogical components of cancer and HIV/AIDS vaccines. Using the company's proprietary combinatorial peptide libraries MSI has harnessed the degeneracy of T cell recognition. MSI has identified highly immunogenic "superagonist" mimic T cell ligands, some with little sequence homology to the natural epitopes. This novel approach to vaccine development has been supported by two NIH Phase I SBIRs ($800,000) and the company has recently been awarded a Phase II SBIR ($1,500,000 start date April 2004).

In addition to the company's internal drug discovery efforts that have yielded clinical leads for the treatment of MS, AIDS/HIV and cancer, the company's technology platform has allowed it to develop numerous discovery partnerships in both industry and academia for the purpose of generating both short-term cash flow as well as expanding the company's pre-clinical pipeline to include antimicrobials, inflammatory and pain management leads.

To date, approximately $6 million has been invested in the technology that forms the basis for the company's technology platform. MSI believes that within two years, and with $6 million in further funding it will have taken MSI 14-178 through Phase I/II clinical trials and have developed a new generation of clinical candidates for multiple sclerosis, cancer, HIV and pain management.

Product/Technology Description:

Multiple sclerosis (MS) is an inflammatory disease of the central nervous system. It is believed that MS in part is a result of an autoimmune response to protein components of the myelin sheath leading to myelin destruction and axonal loss. Utilizing their unique approach to optimized antigen discovery and their proprietary combinatorial

Company Profile:

Address:
3550 General Atomics Court
San Diego, CA 92121

Forum Participants:
Richard A. Houghten, Ph.D.
Bruce Mackler, Ph.D., J.D.

Phone:
(858)-455-3805

Fax:
(858)-455-3879

Sector:
Biopharmaceutical

Homepage:
www.mixturesciences.com

Legal Form:
Corporation

Amount of Capital Raised:
$6,000,000

Date Established:
1999

Funding Sought:
$6,000,000

Number of Employees:
8

Current Investors:
Elan Pharmaceuticals
Richard A. Houghten

Stage of Development:
Series B

libraries, Mixture Sciences in a CRADA with Roland Martin, MD at the National Institute of Health have identified a mixture of peptides, MSI 14-178 which is expected to be safe and efficacious in the treatment of MS. A patent has been filed for MSI 14-178. It is anticipated that MSI 14-178 will enter the clinic during fourth quarter 2004.

There are currently five approved therapies for MS, three different formulations of interferon-beta (IFN-b), a conventional immunosuppressant, mitoxantrone (Novantrone®), and glatiramer-acetate (GA, Copaxone®, Cop-1). The three IFN-b's and GA are mainly used for relapsing-remitting MS (RR-MS) patients, i.e. earlier in the disease process, while mitoxantrone is applied to very active RR-MS patients or during the secondary progressive phase of MS (SP-MS). IFN-b and GA lead to about a 30% reduction of relapses with slight superiority of the higher dosed IFN-b formulations (Betaseron, Rebif), and a slight attenuation of disease progression. While the introduction of these treatments has greatly improved the therapy of MS, they are clearly not optimal, and beyond that, numerous patients have to stop treatment due to side effects (mainly the interferons), lack of or incomplete response (observed in all of them from various reasons), dose limitation due to possible irreversible cardiotoxicity at higher cumulative doses (mitoxantrone), or hypersensitivity (GA). The introduction of new therapies that combine efficacy and favorable side effect profiles are therefore clearly needed.

MSI's proprietary technologies have led to the development of novel therapeutics for MS which are based on complex peptide mixtures of defined length and amino acid composition. These therapeutics, one of them being MSI 14-178, show efficacy at levels as great as Copaxone, but with several key advantageous over Copaxone. The MSI 14-178 therapeutic has a lower molecular weight and is more clearly defined with respect to composition than Copaxone. These differences suggest a lowered side effect profile as well as a lower production cost. In addition, the combination of the MSI 14-178 therapeutics with Mixture Sciences' positional scanning libraries and biometrical analysis offer an unprecedented understanding of the mechanisms involved in developing next generation therapeutics moving towards a cure for MS.

Mixture Sciences' requires $3 million to take MSI 14-178 through a Phase I/II physician sponsored clinical trial after which MSI will look for either a corporate partner or additional equity investments in order to take MSI 14-178 through Phase III trials and to market.

Competition:

The worldwide market for multiple sclerosis (MS) therapeutic products was $1.4 billion with an annual growth of over 40% (2000). The MS market is expected to double in the next three years. There are currently five approved therapies for MS (see Table 1), three different formulations of interferon-beta (IFN-b), a conventional immunosuppressant, mitoxantrone (Novantrone®), and glatiramer-acetate (GA, Copaxone®, Cop-1).

Distribution/Marketing Plans:

It is anticipated that our lead product including MSI 14-178 will be taken through Phase II clinical trials after which MSI will look for either a corporate partner or additional equity investments in order to take MSI 14-178 through Phase III trials and to market.

Table 1: Current Multiple Sclerosis Treatments

Company	Product	Type of Medication	2000 sales (million)
Biogen	Avonex	Interferon beta-1a	$761 million
Serono	Rebif	Interferon beta-1a	$254 million
Chiron/Berlex	Betaseron	Interferon beta-1b	$82 million
Teva	Copaxone	non-interferon	$247 million
Immunex	Novantrone	immunosuppressant	$60 million

Management Team:

Richard A. Houghten, Ph.D. is the founder and current CEO/President of Mixture Sciences, Inc. Founder of four other local biotechnology/pharmaceutical companies, Multiple Peptide Systems (acquired by SNPE), Torrey Pines Institute for Molecular Studies (TPIMS), Trega Pharmaceuticals (acquired by Lion Biosceieces), and Spyder Instruments (acquired by Illumina). He is the author of over 500 scientific publications and inventor of 63 U.S. patents.

Darcy B. Wilson, Ph.D. is the current Chief Scientific Officer of MSI. Dr. Wilson has held positions as the Scientific Director and Director of Basic Sciences of Sidney Kimmel Cancer Center, the Scientific Director of Medical Biology Institute and La Jolla Institute for Experimental Medicine as well as the current Scientific Director of TPIMS.

Clemencia Pinilla, Ph.D. is the current Chief Technical Officer of MSI. Dr. Pinilla completed her postdoctoral work at the Scripps Research Institute before taking a position at TPIMS where she is currently a Member and leader of the Immunochemistry Department.

Bruce Mackler, PhD, JD. is currently a member of the SAIB for MSI. Dr. Mackler is a currently with Heller Ehrman, LLP. Dr. Mackler has 23 years of FDA Legal/Regulatory experience in biomedical products includes FDA-regulated biologics (including Copaxone), traditional and recombinant drugs, medical and in vitro diagnostic devices, food and cosmetics manufactured by traditional and biotechnology processes.

Roland Martin, MD is currently a member of the SAIB for MSI and will be the physican responsible for the Phase I/II studies involving MSI 14-178. Dr. Martin is currently the Chief, Cellular Immunology Section, Neuroimmunology Branch, NINDS, NIH.

Mpex Pharmaceuticals

UCSD CONNECT
where entrepreneurs come for results

Company Overview:

Mpex Pharmaceuticals is a San Diego-based biotechnology company focused on the discovery and development of antibiotics that have significantly improved activity for resistant bacterial pathogens. The growing resistance of bacteria to multiple antibiotics has resulted in unacceptably high morbidity and mortality rates and costs the U.S. healthcare system $3 billion annually. Mpex is identifying small molecule inhibitors of bacterial resistance that, when administered in combination with existing antibiotics, can restore the effectiveness of those antibiotics for the most resistant of bacterial pathogens.

Product/Technology Description:

Mpex is leveraging its proprietary technology, deep domain expertise, and collaborative relationships to discover inhibitors of bacterial resistance. These inhibitors are being combined with existing antibiotics to significantly improve anti-bacterial activity against multi-drug resistant bacterial pathogens. Successful development of such combination agents will largely replace the antibiotic being potentiated and result in significant sales, as demonstrated by the combination antibiotic Augmentin by GSK (amoxicillin + resistance inhibitor) which now earns over $2 billion in annual sales. The Company's most advanced R&D program is an aerosol candidate to treat serious respiratory infections caused by Pseudomonas aeruginosa. Respiratory infection in cystic fibrosis patients is the first indication, with additional indications or off-label use projected for nosocomial pneumonia and bronchiectasis - a $150+ million product opportunity.

The Company's second R&D program has produced lead compounds that can potentiate (i.e. improve) fluoroquinolones and macrolides for serious Gram-negative pathogens such as Pseudomonas aeruginosa and Haemophilus influenzae. These chemistry leads, the first of which is approximately 18 months from an IND filing, can result in new combination antibiotics for oral or IV administration that have the potential to achieve multi-billion dollar revenues.

Industry Overview:

It is well documented that antibiotic resistance is a growing, serious problem in both the hospital and community setting. The growing resistance of many strains of bacteria to multiple classes of antibiotics is the primary driver behind the growth in demand for improved or new antibiotics: worldwide annual sales of anti-bacterials is approximately $28 billion and projected to grow ~8%. However, the clinical utility of newly introduced antibiotics is often diminished due to bacterial resistance that rapidly emerges. Many bacterial infections, especially those acquired in a hospital, require two or more courses of multiple classes of antibiotics in order to overcome resistance. And some bacterial infections cannot be successfully treated at all - resulting in more than 100,000 deaths annually in the U.S. alone.

Company Profile:

Address:
5500 Campanile Dr.

Forum Participants:
Bill Gerhart- President & CEO
Neil Berkley- Business Development Manager

Phone:
(619) 594-5377

Fax:
(619) 594-5378

Sector:
Pharmaceuticals

Homepage:
www.mpexpharma.com

Legal Form:
Incorporated

Amount of Capital Raised:
$3.5 million

Date Established:
July 2001

Funding Sought:
$10 million

Number of Employees:
9

Current Investors:
Western States Investment Group

Stage of Development:
Early stage

Competition:

Although there are many new antibiotics proposed for approval or development, few offer improved activity for Gram-negative pathogens. Of the 36 anti-bacterial drugs in clinical development, only 3 have reported improved activity for Gram-negative pathogens. Moreover, no other company is known to be focused on inhibiting efflux pump resistance mechanisms to potentiate antibiotics for Gram-negative pathogens. Mpex is uniquely focused on inhibiting efflux pump mechanisms to significantly improve Gram-negative anti-bacterial activity for broad-spectrum antibiotics.

Distribution/Marketing Plans:

The Company will utilize its efflux pump inhibitor technology, expertise, and discoveries to identify potentiators of antibiotics that offer the potential for multiple new antibiotic products. This capability can be leveraged to develop and commercialize products internally such as the aerosol candidate, as well as to develop combination products for partners and collaborators that result in revenues from research funding, licensing fees, milestone payments, royalties, and co-marketing rights.

Management Team:

The Mpex team consists of an experienced group of executives, scientists, advisors, and consultants with successful track records building biotech companies and developing anti-bacterial drugs.

Keith Bostian, Ph.D., Chairman of the Board and interim CSO. Dr. Bostian is an entrepreneur-scientist who most recently founded Iconix Pharmaceuticals and was the CEO from 1998 to 2002. Prior to Iconix, Dr. Bostian was founder/COO of Microside Pharmaceuticals (later Essential Therapeutics). Prior to founding Microside, he was the head of Microbiology and Molecular Genetics at Merck & Co, where he was responsible for antimicrobial research and new leads from natural products for all of Merck's worldwide drug discovery programs. He earned a Ph.D. in Biochemistry from the University of London.

Bill Gerhart, President, CEO, & Co-founder. Mr. Gerhart is an experienced founder/CEO who has started, financed, and built companies in the manufacturing, software, and biotech industries. Previous to Mpex, Mr. Gerhart was the CEO of Medlyte, a cardiovascular biotech company developing novel anti-ischemia therapies. Prior to Medlyte, Mr. Gerhart was the CEO and co-founder of Suddenly Smart, a software development company providing enterprise-wide e-learning solutions to large corporations such as Bristol-Myers Squib, J&J, and AT&T. During his career, Gerhart has helped raise over $100 million to finance the growth and acquisition of privately and publicly held companies. Gerhart earned an M.B.A. at the Harvard Business School.

Science Advisory Board (representative):

George Drusano M.D., Director of Clinical Pharmacology and Associate Director of the Clinical Research Institute at the Albany Medical College. Dr. Drusano is a Fellow of the Infectious Diseases Society of America, a Fellow of the American Academy of Microbiology, and is President of the International Society for Anti-infective Pharmacology (ISAP). In 1991, he was the recipient of the Rhone-Poulenc Award for the most innovative research with fluoroquinolones.

Eric M. Gordon, Ph.D., Palantir Consulting. Eric M. Gordon, Ph.D., formerly held the positions of Sr. Vice-President of Research at Sunesis from 1998-2002; President, Scientific Founder, and Chief Scientific Officer of Versicor; Vice President of Research and Director of Chemistry at Affymax Research Institute; Director of Medicinal Chemistry at The Squibb Institute for Medical Research and Bristol-Myers Squibb Pharmaceutical Institute.

George Miller Ph.D., Pharmaceutical R&D Consultant. Dr. Miller has over 30 years of experience in antimicrobial discovery and development. At Schering-Plough, he was a Presidential Fellow in Microbiology and Vice President Infectious Disease and Microbial Products Discovery, where he participated in the discovery and development of aminoglycosides, everninomicins, florfenicols, macrolides, and other antibacterials. Subsequent to Schering, Dr. Miller was the Vice President for R&D at Microcide/Essential Therapeutics.

NexBio, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

NexBio, Inc. is a biopharmaceutical company that creates novel broad-spectrum therapeutics against life threatening human respiratory viral infections. In the recent years, outbreaks of SARS and influenza epidemics have highlighted serious threat of the respiratory viruses and inadequacy of the current therapeutic modalities. Worldwide spread of avian influenza viruses among domestic poultry, as well as outbreaks of the avian influenza virus in human have set off the alarm for an imminent influenza pandemic. NexBio, Inc. strives to protect the public against the looming global pandemic of influenza as well as to address the strong market need for better, less expensive, and readily available influenza medicines for recurrent annual epidemics.

Market/Industrial Overview:

Influenza is a highly infectious acute respiratory disease that has plagued the human race since ancient times. It is characterized by recurrent annual epidemics and periodic major worldwide pandemics. Because of the high disease-related morbidity and mortality, direct and indirect social economic impacts of influenza are enormous. Epidemic influenza causes approximately 1 million deaths globally every year, which argues strongly that the modern therapeutic modalities are doing very poorly in dealing with this ancient human disease. On top of the yearly epidemic influenza, we humans are constantly threatened by periodic major worldwide pandemics influenza. In the last century, at least three influenza pandemics occurred. New influenza pandemics are inevitable resulted from natural evolution influenza viral evolution within and crossing different animal species. This is an undeniable fact established by scientific community based on the knowledge and experience scientists have obtained in fighting this virus for a century. With recent technical progress, it has also become possible for bio-terrorists to create pandemic viral strains faster than natural viral evolution. In the last couple years, experts have been warning us that a new pandemic influenza is imminent and it will be one of the biggest challenges facing public health systems globally. The Spanish Flu killed 20 to 50 million people worldwide in 1918 according to Centers for Disease Controls. Mathematical models based on earlier pandemic experiences have estimated that 89,000-207,000 deaths, 18-42 million outpatient visits and 20-47 million additional illnesses will occur in the US alone during the next pandemic. The cost is projected to be $71.3 billion to $166.5 billion in the USA alone. Based on World Health Organization's worst-case scenario, in such a pandemic, 10% to 25% of the world's population may be infected in a matter of months. Therefore, a broad-spectrum therapeutic/prophylactic product for influenza is critically needed since current therapeutic modalities are inadequate for recurrent annual epidemics and will be powerless for future major worldwide pandemics.

Company Profile:

Address:
6650 Lusk Blvd.,
Suite B102
San Diego, CA 92121

Forum Participants:
Mang Yu, Ph.D.
Fang Fang, M.D., Ph.D.

Phone:
(858) 452-2631

Fax:
(858) 452-2534

Sector:
Biopharmaceutical

Homepage:
www.nexbio.com

Legal Form:
Corporation

Amount of Capital Raised:
Over one million dollars

Date Established:
2003

Funding Sought:
Ten million dollars

Number of Employees:
Seven

Current Investors:
US Government & Founders

Stage of Development:
Preclinical

Product/Technology Description:

Influenza is typically caused by infection of two types of viruses, Influenza virus A and Influenza virus B. Both type A and type B viruses have 8 segmented negative-strand RNA genomes. The viral envelope is covered with spikes that are composed of two major types of proteins: hemagglutinin (HA) which attaches virus to host cell receptors and mediates fusion of viral and cellular membranes; neuraminidase (NA) which facilitates release of the new viruses from host cells; For type A virus which can cause pandemic influenza and is the major cause of yearly epidemics, the viral subtypes are distinguished by serologic differences between their HA and NA proteins. There are total 15 types of HA (H1-H15) and 9 types of NA (N1-N9). In general population, basic immunities can be found against only three types of HA (H1-H3). While influenza B virus circulates only in humans, influenza A virus can be isolated from a whole host of animals, such as horses, chickens, ducks and other kinds of birds, which accounts for genetic reassortment of influenza A virus by exchange of the 8 segmented genomes that results in potential pandemic strains.

The most recent scientific evidence confirmed that the pandemic in 1918 was caused by introduction of an avian virus H1N1 to human. Currently, a very serious outbreak of bird flu is ravaging Asia. Within a matter of weeks, the virus has spread from Vietnam to a total of 10 countries in Asia, and led to culling of 40 million chickens. Moreover, incidence of direct transmission of bird influenza viruses (H5N1 and H5N2) from domestic poultry to human in Asia has set off alarm bells for looming pandemics. The scope of human infections has been small so far, due to the fact that the virus has not acquired the ability to spread easily from human to human. However, the virus can gain this ability either by adapting itself through genetic mutations once inside the body, or by recombination with a widely circulating human flu strain. Once the highly virulent avian influenza virus becomes fully adapted to human, the virus could cause a pandemic.

FludaseTM is the first drug lead in the product pipeline of NexBio, Inc. FludaseTM is a recombinant fusion protein based product that targets on a commonly used cellular process therefore can addresses all strains and subtypes of influenza viruses including the potential pandemic strains. Unlike the currently available influenza vaccines, FludaseTM does not need to be updated yearly and can be readily available at the onset of annual influenza epidemics as well as future pandemics. As a therapeutic agent that is administered topically and locally, FludaseTM can be superior to antiviral chemical compounds owing to minimal side effects and viral drug resistance. Because of the fact that FludaseTM is the only anti-flu product which targets stable human cell molecules rather than the constantly changing virus particles, it will be superior to both currently available vaccines and antiviral chemical compounds. The product development methods and approaches are vigorously reviewed and strongly supported by top scientific experts in the field, as a consequence, the FludaseTM program NexBio, Inc. became one of the first recipients of newly established National Biodefense Grants by National Institute of Allergy and Infectious Diseases.

Competition:

Currently available vaccine and anti-viral chemical compounds have many drawbacks in fighting influenza. Inactivated or attenuated live human influenza vaccines, which are currently being used, need to be updated yearly to maintain efficacy. At present time, no vaccine is available against the potential pandemic strain H5N1 and H5N2 responsible for the current outbreak of bird flu in Asia and responsible for killing many people. During inter-pandemic periods, it usually takes 8 months before the updated influenza vaccines are ready for the market. However, historically, pandemics spread to most continents within 6 months, and future pandemics are expected to spread even faster with increased international travel. It is not unusual that vaccines are in short supply for recurrent annual epidemic influenza; it will be inevitable that vaccine will be unavailable or in very short supply during the first waves of future pandemics, if efficacious at all. Antiviral chemical compounds are alternatives for treating inter-pandemic diseases. Two classes of antiviral compounds have been brought to the market: the M2 inhibitors, such as amantadine and rimantadine; and the NA inhibitors, which include oseltamivir (Tamiflu) and zanamivir (Relenza). Both classes of molecules have

Product/Technology Description:

Influenza is typically caused by infection of two types of viruses, Influenza virus A and Influenza virus B. Both type A and type B viruses have 8 segmented negative-strand RNA genomes. The viral envelope is covered with spikes that are composed of two major types of proteins: hemagglutinin (HA) which attaches virus to host cell receptors and mediates fusion of viral and cellular membranes; neuraminidase (NA) which facilitates release of the new viruses from host cells; For type A virus which can cause pandemic influenza and is the major cause of yearly epidemics, the viral subtypes are distinguished by serologic differences between their HA and NA proteins. There are total 15 types of HA (H1-H15) and 9 types of NA (N1-N9). In general population, basic immunities can be found against only three types of HA (H1-H3). While influenza B virus circulates only in humans, influenza A virus can be isolated from a whole host of animals, such as horses, chickens, ducks and other kinds of birds, which accounts for genetic reassortment of influenza A virus by exchange of the 8 segmented genomes that results in potential pandemic strains.

The most recent scientific evidence confirmed that the pandemic in 1918 was caused by introduction of an avian virus H1N1 to human. Currently, a very serious outbreak of bird flu is ravaging Asia. Within a matter of weeks, the virus has spread from Vietnam to a total of 10 countries in Asia, and led to culling of 40 million chickens. Moreover, incidence of direct transmission of bird influenza viruses (H5N1 and H5N2) from domestic poultry to human in Asia has set off alarm bells for looming pandemics. The scope of human infections has been small so far, due to the fact that the virus has not acquired the ability to spread easily from human to human. However, the virus can gain this ability either by adapting itself through genetic mutations once inside the body, or by recombination with a widely circulating human flu strain. Once the highly virulent avian influenza virus becomes fully adapted to human, the virus could cause a pandemic.

FludaseTM is the first drug lead in the product pipeline of NexBio, Inc. FludaseTM is a recombinant fusion protein based product that targets on a commonly used cellular process therefore can addresses all strains and subtypes of influenza viruses including the potential pandemic strains. Unlike the currently available influenza vaccines, FludaseTM does not need to be updated yearly and can be readily available at the onset of annual influenza epidemics as well as future pandemics. As a therapeutic agent that is administered topically and locally, FludaseTM can be superior to antiviral chemical compounds owing to minimal side effects and viral drug resistance. Because of the fact that FludaseTM is the only anti-flu product which targets stable human cell molecules rather than the constantly changing virus particles, it will be superior to both currently available vaccines and antiviral chemical compounds. The product development methods and approaches are vigorously reviewed and strongly supported by top scientific experts in the field, as a consequence, the FludaseTM program NexBio, Inc. became one of the first recipients of newly established National Biodefense Grants by National Institute of Allergy and Infectious Diseases.

Competition:

Currently available vaccine and anti-viral chemical compounds have many drawbacks in fighting influenza. Inactivated or attenuated live human influenza vaccines, which are currently being used, need to be updated yearly to maintain efficacy. At present time, no vaccine is available against the potential pandemic strain H5N1 and H5N2 responsible for the current outbreak of bird flu in Asia and responsible for killing many people. During inter-pandemic periods, it usually takes 8 months before the updated influenza vaccines are ready for the market. However, historically, pandemics spread to most continents within 6 months, and future pandemics are expected to spread even faster with increased international travel. It is not unusual that vaccines are in short supply for recurrent annual epidemic influenza; it will be inevitable that vaccine will be unavailable or in very short supply during the first waves of future pandemics, if efficacious at all. Antiviral chemical compounds are alternatives for treating inter-pandemic diseases. Two classes of antiviral compounds have been brought to the market: the M2 inhibitors, such as amantadine and rimantadine; and the NA inhibitors, which include oseltamivir (Tamiflu) and zanamivir (Relenza). Both classes of molecules have

proven problems for treatment and prevention of influenza. Drug-resistant viruses and the side effects remain the top two concerns for using them for treatment, and more so for widely using them as chemoprophylaxis. Facing numerous problems, Relenza has ever since dropped out from the market. Most importantly, future pandemic strains, either evolved naturally or artificially created by genetic engineering in a bio-warfare, may be resistant to all the available anti-viral compounds, and this will have devastating consequences globally. In summary, vaccination and anti-viral compounds are limited by some fundamental shortcomings. Novel therapeutic and prophylactic modalities such as FludaseTM are critically needed to address future influenza pandemics, as well as recurrent annual epidemic influenza.

Distribution/Marketing Plans:

Our current marketing and distribution plans are to work with world leading pharmaceutical companies as corporate partners by tapping into their well-established marketing forces and well-proven distribution channels to maximize the company's shareholder values and to build a fully integrated biopharmaceutical company for other products in our pipeline and for the long term success of the company.

Fifth Year Revenue & Earning Projections:

The company's first product will be at the late stage clinical trials and may not reach market place in the fifth year. We project multi-million dollar revenue coming from the corporate partnership. The founders and the management team had successfully achieved such corporate goals for previous ventures on infectious diseases.

Management Team:

Mang Yu, Ph.D., Founder, President & CEO, was a Co-Founder & Executive Vice President of Perlan Therapeutics whose anti-common cold product, ColdSolTM, received Most Innovative New Product (MIP) award. Dr. Yu was Scientific Co-Founder of Immusol and served as Director of HIV Gene Therapy (responsible for $49 million corporate partnership with Pfizer), Director of Target Discovery & Gene Therapy (for HIV, HBV, & HCV) from 1993 to 1998 before founding Perlan. He is a regular guest speaker on bio-entrepreneurship for MBA classes at San Diego State University.

Fang Fang, MD, PhD, Chief Scientific Officer (CSO), was Scientific Founder, VP & CSO of Perlan Therapeutics and inventor for ColdSolTM, which received the MIP award in 2002. During her tenure at Perlan from 1998 to 2003, she received numerous honors from San Diego technology communities such as "10 San Diego Innovators", "Top-5 BIO Chief Scientists of San Diego", and "Biopharma Award for Technology Innovation & Leadership" and multiple research and product development grants from National Institute for Allergy and Infectious Diseases (NIAID).

Dawn Wampler, Director of Finance & Acting CFO, after her college degree in Accounting and Master's degree in Management, Ms. Wampler worked for 6 companies in the last 12 years with various finance positions of increasing responsibilities as: Accountant, Auditor/Staff Accountant, Senior Accountant/Analyst, Accounting Manager, and Controller; she is a Certified Public Accountant (CPA). Nora Young, Ph.D., Director of Corporate Development, worked at Eli Lilly for a decade with various management positions as Project Leader with over 30 scientists, Pre-clinical coordinator for an IND drug as well as Lead Scientist for the Global Product Team for EVISTA®. Dr. Young's corporate communication skills qualified her to represent Eli Lilly in the market launch of EVISTA® as the spokesperson to media and to author 7 FDA reports.

Orphagen Pharmaceuticals

Company Overview:

Orphagen discovers new drugs to potential drug targets from the human genome. The target for a drug determines its therapeutic action, and new drug targets are the source of entirely new kinds of therapy. Orphagen is developing drugs for the treatment of heart disease, rheumatoid arthritis, cancer, and other major conditions. The Company's expertise centers on the so-called nuclear receptors, a family of drug targets that has already been the source of groundbreaking therapies that generate more than $12 billion in U.S. sales annually.

Orphagen focuses on targets from the nuclear receptor family that have not yet been exploited for drug discovery, the orphan nuclear receptors. The company has a first mover advantage for several orphan nuclear receptors based on external funding relationships, partnerships, and intellectual property. Many of Orphagen's chosen targets hold promise to generate blockbuster drugs (sales of > $1 billion/year).

The company's strategy is to (i) screen multiple receptors, increasing chances of success and providing a stake in several major disease areas, (ii) aggressively target partners who can carry a lead forward into the largest markets, and (iii) push selected leads forward for internal development, greatly enhancing the company's overall value. Of the 48 nuclear receptors in the human body, 23 are targets of known drugs and/or are the subject of intensive mainstream drug discovery. The remaining 25 fall in to the orphan category and Orphagen has initiated work on six of these.

Orphagen started drug discovery research in April, 2002 and has been awarded $990,000 in non-dilutive grant funding in the areas of heart disease, AIDS, and prostate cancer since March, 2003. The funding comes primarily from the National Institutes of Health (NIH) through the Small Business Innovative Research (SBIR) program. The Phase 1 grants open the door to 3-5 million dollars of NIH funding for Phase 2 grants. Discovery research is being performed at the Human BioMolecular Research Institute (HBRI) in San Diego.

Product/Technology Description:

Major drug companies have shied away from the unexplored orphan nuclear receptors, preferring to initiate discovery programs in areas that are more mature. There are three reasons for this lack of enthusiasm: (i) the absence of proven hits or leads; (ii) the lack of tested and optimized assays for these targets; and (iii) the consequent absence of leads with pharmacological activity in animals that confirm a therapeutic hypothesis. Orphagen confronts these problems directly.

A major obstacle to lead generation for orphan nuclear receptors has been the high rate of false positives in identification of hits. The failure to discard false positives has crippled several orphan nuclear receptor drug discovery programs. Orphagen overcomes the false positive problem in early stage receptor screening by implementing orthogonal, optimized screening assays that measure receptor activation by distinct

Company Profile:

Address:
5310 Eastgate Mall,
San Diego, CA 92121

Forum Participants:
Scott Thacher, CEO

Phone:
(858) 625-0540

Fax:
(858) 225-0390

Sector:
Pharmaceuticals, Early Stage Drug Development

Homepage:
www.orphagen.com

Legal Form:
California "C" Corporation

Amount of Capital Raised:
$215,000 equity,
$990,000 grants

Date Established:
October, 2000

Funding Sought:
$750,000

Number of Employees:
Five

Current Investors:
Friends & Family

Stage of Development:
Early

methods and accelerate confirmation of hits. Its screening technology combines proprietary methods developed in house with technology from U. C. San Francisco. With confirmed hits, Orphagen moves rapidly into lead generation and animal proof-of-principle studies.

Industry Overview:

R&D spending in the drug industry has gone up three-fold in ten years, from $7 billion to $23 billion. There is an intense demand for new drug candidates. New classes of therapeutics provide the most rapid sales growth. The major pharmaceutical companies license in more than half of their products and industry leaders predict that 80-90% of future development will be in small molecules, such as nuclear receptor drugs. On a per target basis, nuclear receptors have one of the best records for drug development in the industry. Pharmaceutical companies have historically been willing to form lucrative orphan nuclear receptor partnerships well before clinical trials are ready to start ($500 million in 1997-2002). Recent blockbusters in the nuclear receptor area, including Evista™, Avandia™, Actos™, and Inspra™, suggest broad potential for novel drug classes based on this target group.

Competition:

The orphan nuclear receptor targets of interest to Orphagen are largely unexplored. Potential competitors, such as GlaxoSmithKline, Ligand, Karo-Bio, X-Ceptor and Tularik, historically have had strong track records in orphan nuclear receptor R&D. However, they are now primarily focused on the so-called "former" orphan nuclear receptors that have demonstrated potential for type 2 diabetes, hypercholesterolemia, and some other major indications. Orphagen is strategically positioned to avoid this crowded field of former orphan receptors and to become a leader in several receptors that are not yet part of the drug discovery pipeline. Orphagen also has a better competitive position than platform companies that market specialized discovery technology since it has the in depth receptor expertise that enables it to rapidly progress to lead characterization in animal models of disease.

Distribution/Marketing Plans:

Value creation for a drug target, such as an orphan nuclear receptor, takes place in stages. Orphagen works in the first two critical stages: identification of small molecules that activate the drug target and creation of lead small molecules that are active in animal models of disease and are candidates for human testing. These two stages generate the crucial intellectual property needed to take a drug to market and put Orphagen first in line to be a partner for a major pharmaceutical or biotech company in its target area. The partnership can develop more leads, prepare for and execute clinical trials, and commercialize with FDA approval.

Use of Funds and Revenue Projections:

To achieve a goal of demonstrating animal efficacy for one of its novel classes of compounds, Orphagen is raising $750,000. Orphagen will use this seed preferred round to accelerate hit identification, design more potent compounds, and obtain validation in animal models of therapeutic action. This funding round will: (i) leverage a 3-6 times greater amount of non-dilutive grant dollars from the NIH and other sources; (ii) accelerate drug development for new lead opportunities when granting agencies are slow to respond; and (iii) position the company

Financials ($ 000's):

Year	2003	2004	2005	2006	2007	2008
Revenues	170	600	1,800	2,700	7,000	10,400
R&D	110	700	1,700	4,200	8,000	15,000
G&A	60	320	782	1,932	3,680	6,900
Cash Flow	0	330	2,318	3,568	-4,680	13,500
Capital	0	750	3,000	7,000	0	25,000

for rapid and competitive growth through venture financing. Goals for the series "A" round ($3 M) are the identification of lead compounds and creation of early partnerships with emphasis on screening for leads. The Orphagen financial plan (see below) also anticipates $5.5 million in grant revenues and $17 million in partnership revenues in the next five years.

Early stage biotech valuations are based on IP and not revenue. With valuations of comparable leads in the nuclear receptor area in the $10-$50 million range, the company expects to have a value of $50 million within 3 years. Orphagen will be in a good position, if desired, to find acquisition partners among the larger pharmaceutical and biotech companies and provide an outstanding exit for its investors in years 4 and beyond.

Management Team:

Scott Thacher, Ph.D., founder and CEO, has 22 years of experience in life sciences research and pharmaceutical R&D. He directed programs in acne, psoriasis, hyperlipidemia, and diabetes at Allergan in the retinoid nuclear receptor area for eight years and served on management teams for clinical drug development and for strategic collaborations, including with Warner-Lamber/Parke-Davis for diabetes. He left in April, 2001, to work full-time on Orphagen.

Tim Scott, J.D., director and acting COO, is co-founder and President of Pharmtek. He is also a co-founder of Diakron and served on the senior management team of Active.com while it raised $53 million.

Bob Shopes, Ph.D., director, was founder and first CEO of Favrille, a cancer vaccine company located in San Diego.

Marvin Rosenthale, Ph.D., director, was CEO of Allergan-Ligand Retinoid Therapeutics and previously Vice President Drug Discovery Worldwide at the R. W. Johnson Research Inst.

William S. Craig, Ph.D., director, is Vice President of Research and Product Development at ISTA Pharmaceuticals. He has a broad background in research, development, manufacturing, and FDA review of therapeutic molecules.

Scientific Advisory Board

Dr. Holly Ingraham, Ph.D., Professor of Physiology at UCSF, is an authority on orphan nuclear receptor biology and chair of Orphagen's SAB.

Dr. R. Kip Guy, Ph.D., Assistant Professor of Molecular Pharmacology at UCSF, studies nuclear receptor ligand design and is Director of the Bay Area Screening Center and the Center for Chemical Diversity at UCSF.

Dr. Robert Fletterick, Ph.D., Professor of Biochemistry & Biophysics at UCSF, is internationally recognized for his work on protein structure, including the nuclear receptors.

Dr. Murray Korc, M.D., a distinguished physician/scientist and cancer biologist, is chair of the Department of Medicine at Dartmouth Medical School.

Targeted Molecules Corp.

UCSD CONNECT™ where entrepreneurs come for results

Company Overview:

Targeted Molecules Corporation ("TMC") discovers and develops biological drugs in a new and exciting class of molecules called Selective Adhesion Molecule Inhibitors (SAMI). The industry's first SAMI (Raptiva) has already been approved by the FDA for psoriasis and a second drug (Antegren) has successfully completed clinical trials for Crohn's Disease and multiple sclerosis. TMC has two SAMI products in development (TMC-2003 and NHAT) that address important unmet medical needs in the areas of chronic inflammation and acute thrombosis, respectively. Based on the size of these markets and the positive treatment results demonstrated in preclinical testing, TMC believes that each of these products has a market potential in excess of $1 billion. The Company is currently raising $20 million in a second venture financing in order to support the development of both products through Phase II testing,

Novel Drugs for Large Markets

TMC's primary focus is the advancement of its TMC-2003 and NHAT products. The Company is also utilizing its expertise in the SAMI field and proprietary drug discovery technology to identify additional molecules for development.

TMC-2003: New SAMI with Broad Clinical Indications

TMC-2003 is a proprietary SAMI antibody with therapeutic utility for a broad set of clinical indications including inflammation/autoimmune diseases and retinal disorders. Collectively these target indications comprise a patient population of more than 10 million people in the US alone, and current drug sales in excess of $10 billion per year.

- In the area of inflammation/autoimmune diseases, TMC has demonstrated that TMC-2003 has therapeutic effect in preclinical models of inflammatory bowel disease, rheumatoid arthritis and multiple sclerosis. Existing first generation biological drugs such as Remicade, Enbrel and Avonex each generate over $1 billion per year in these indications. However, these drugs are successful in only about one-third of patients leaving a large unmet clinical need for second generation agents like TMC-2003 that have a broader range of therapeutic activity. In comparative studies to other SAMI drugs such as Antegren, TMC-2003 provides a superior therapeutic effect.
- TMC-2003 also targets a SAMI receptor that is involved in the pathological sprouting of new blood vessels in angiogenic disorders including macular degeneration, diabetic retinopathy, and cancer. These indications represent large patient populations desperate for new and effective therapies.

NHAT (Non-Hemorrhagic Anti-Thrombotic) Agent

TMC's NHAT agent offers a breakthrough in the treatment of acute thrombosis by preventing the formation of blood clots without causing hemorrhage (bleeding). Acute thrombosis occurs when platelets attach to a site of vessel injury and then aggregate to form blockages. These

Company Profile:

Address:
3030 Bunker Hill Street,
Suite 318
San Diego, CA 92109

Forum Participants:
Elias Lazarides, Ph.D.
(President & CEO)
Paul Cayer (SVP, Bus. Dev.
& CFO)

Phone:
(858) 777-2800

Fax:
(858) 777-2810

Sector:
Drug discovery and development

Homepage:
www.targetedmolecules.com

Legal Form:
California corporation

Amount of Capital Raised:
$14 million

Date Established:
June 2000

Funding Sought:
$20 million

Number of Employees:
15

Current Investors:
IngleWood Ventures,
Linkagene,
NeuroDiscovery Inc.,
Trian Equities,
GeneChem,
FAT Capital,
GC&H Investments

Stage of Development:
Preclinical

blockages can prevent the flow of oxygen and nutrients to critical organs leading to heart attacks, strokes, and other acute and chronic disorders. Sales of injectable anti-thrombotic agents total $5 billion per year, however these products are generally not used for treating disorders of the brain because they can cause bleeding. TMC is targeting this large unmet medical need in neuro-thrombotic disorders as the primary indication for its NHAT product.

Management Team and Directors

TMC has assembled a team of experienced and proven business and scientific leaders.

Elias Lazarides, Ph.D. (TMC Founder, President and CEO, Director)

Dr. Lazarides is an expert in the SAMI field through his experience as Executive Director of Research at Merck and then as CEO of Tanabe Research Labs in San Diego. Dr. Lazarides has an excellent track record in drug discovery and development, and has direct therapeutic expertise in the medical areas targeted by TMC. Before joining Merck, Dr. Lazarides spent 15 years as a Professor of Biology at CalTech where he established an international reputation in the field of cell and molecular biology.

James Miller, Ph.D. (Chairman)

Dr. Miller is a successful serial entrepreneur having co-founded QLT Inc. and Inex Pharmaceuticals in Vancouver. He also has considerable operational experience through his tenure as CEO and Chairman for both of these companies. Given his positive track record for developing biopharmaceutical companies and their products, Dr. Miller now invests in early-stage ventures as Chairman and CEO of Neuro Discovery LP, a fund focused on investments in the CNS space. He also serves on the Board of Inex and Neuromed Technologies.

Paul Cayer, MBA (SVP, Business Development and CFO)

Mr. Cayer has spent his career in the healthcare industry first at established companies including Acuson and Gensia Pharmaceuticals then with several start-up ventures where he was responsible for financing and business development activities. Mr. Cayer has a Harvard MBA and experience in strategic planning acquired as a consultant with Booz-Allen & Hamilton.

Catherine Woods, Ph.D. (Executive Director, Biological Research)

Dr. Woods has broad experience in drug discovery and development through her work in basic drug research at Merck, and subsequent management of preclinical and clinical product development at Alliance Pharmaceuticals. Dr. Woods also played a key role at Alliance in the development and partnering of an inhalation drug delivery platform.

Anthony Fox, M.D. (Clinical Development and Regulatory Affairs Consultant)

Dr. Fox is trained in cardiovascular medicine with extensive experience in the management of drug development programs through clinical evaluation and regulatory review. His positions in the pharmaceutical industry have included: Director, Cardiovascular and Anesthesiology Clinical Research for GlaxoSmithKline; VP, Drug Development and Regulatory Affairs for Cypros Pharm.; and VP, Clinical and Regulatory Affairs at Pozen.

M. Blake Ingle, Ph.D. (Director)

Dr. Ingle is Managing Partner of IngleWood Ventures in San Diego. Before forming IngleWood, Dr. Ingle spent a long and successful career in the healthcare industry including roles as CFO and CEO of The IMCERA Group (a Fortune 250 company) and CEO of Canji (acquired by Schering-Plough). Dr. Ingle serves on the boards of Vical, Corvas (now Dendreon), Inex Pharmaceuticals, Cengent Therapeutics (formerly Geneformatics), NewBiotics, ATI Medical, and Metaprobe.

Martial Lacroix, Ph.D. (Director)

Dr. Lacroix is a Vice President of GeneChem Ventures, an active and successful biotech venture investor. Prior to GeneChem, Dr. Lacroix co-founded and conducted research for BioChem Pharma. He serves on the board of Triad Therapeutics, NewBiotics, Koronis Pharmaceuticals, Interomex, HemaX Genome, and Viron Therapeutics.

Thomas Page (Director)

Mr. Page is the former Chairman of Enova Corporation and San Diego Gas & Electric Company (SDG&E). Mr. Page is an elected member of the Grossmont Union Board of Education and a Director of the San Diego Regional Economic Development Corporation. He is also Chairman of Cuyamaca Bank, a Director of Leap Wireless and Metallic Power and an Advisory Director of Sorrento Ventures.

Vickie Capps (Director)

Ms. Capps has over 20 years experience in financial leadership with growing and dynamic technology companies. She currently serves as the SVP of Finance and CFO of dj Orthopedics. Before joining dj Orthopedics, she served as the SVP of Finance and Administration, and CFO of AirFiber, Inc., a venture-backed leader in wireless networking.

Funding Requirements and Use of Proceeds

TMC intends to raise $20 million in a second venture financing. These funds will be used to advance TMC's two lead products through Phase II testing.

UCSD CONNECT
where entrepreneurs come for results

High-tech Presenting Companies

Stics, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Stics, Inc., provides easy-to-use analytical software products for business professionals, marketers, and other non-statisticians. In addition to software products, Stics provides a wide range of analytical consulting services tailored to the customer's need. The staff of this San Diego based company consists of experienced business executives, statistical analysts, and software developers. The technology or its results have been integrated into the work of many organizations including ESRI (world's most popular desktop Geographic Information System, GIS, software), Wickes Lumber, the Direct Marketing Association, Electronic Arts, the San Diego Museum of Art, and the federal government. Development of the product line began in 1998 with investment from a Dallas-based financial corporation, Stone Capital. Stics is currently the exclusive distributor for all the developed products of Stone Capital. Stics is currently 100% owned by its founder/CEO and seeks sufficient staged capital investment to acquire the technology from Stone Capital and to expand its sales of the product through a rapid growth phase.

Product/Technology Description:

The Stics product line is Decision Science'. It is a family of analytical engines that includes three currently shipping products: Scoring Science(, Valuation Science', and Decision Science for Marketing'. Decision Science is designed for business users not statisticians. The Decision Science engines take the guesswork out of many key business decisions through the application of predictive analytics. Employing the most robust and effective modeling techniques available, Decision Science engines enable users to uncover patterns and relationships within their data. The software builds predictive models that answer important business questions including: Is this individual likely to buy my product? Or, what is the potential value of this customer?

Three products are released. In-house development issues are focused on refining the product to satisfy build/buy decision-makers and improve the simplicity of the product for the end user. Although additional development is planned, the priority at Stics is to close a number of OEM/ reseller. The product has recently received a patent on using statistics to visualize data, which will be very useful in future products. In addition, a second patent has been submitted and is in review for the underlying ease-of-use and analytical nuances known as Automatic Analyst. Also, Stics key personnel have recently been cleared for classified work by the government and can have these clearances activated for new projects.

Industry Overview:

The currently served market for predictive analytic technologies is estimated to exceed $500M and expected to exceed one billion by 2008 (IDC). The growth is in applications for traditionally under-served areas, such as marketing, to which our products are ideally suited. Our

Company Profile:

Address:
3665 Ruffin Road,
Suite 350
San Diego, CA 92123

Forum Participants:
Christy Joiner-Congleton, Pres/CEO
Jerry Suennen, VP Finance

Phone:
(858) 874-0311

Fax:
(858) 874-0312

Sector:
Software

Homepage:
www.stics.com

Legal Form:
California Corp

Amount of Capital Raised:
Roughly 7.5 million has been invested in the targeted technology

Date Established:
2004

Funding Sought:
3 to 5 million in stages to acquire target technology and fund sales

Number of Employees:
<10

Current Investors:
Founder

Stage of Development:
Early

products serve an existing need, but expand the market by offering a cost-effective solution for both OEM partners and end-users where none has been available. The additional, under-served market of mid-sized firms that can embed our products is between $600M and $1B. These expectations are displayed in the chart below, along with revenue expectations for the firm.

In 2003, target firms have begun adding the integration of analytics to their development schedule. Stics business should increase as more and more firms add analytical features (like Stics's) to their product suites. We are focusing on integrating our software into OEM/resellers' products during the current slow economic cycle with the goal that it will lead to market prominence in up-cycle.

Competition:

Stics product goals are to provide 90% of the insight of an expert statistician and support 90% of a company's analytic needs for 10% of the cost in time and money of a professional analyst using statistical software. Giving business managers the ability to do modeling on demand allows them to get the most out of their data, and empowers faster better decision-making based on facts, not conjecture.

Although we believe our focus on non-statistician-friendly, low-cost, embedded products is probably unique at this time, relevant players in the analytical space include:

- Traditional Statistical Software Vendors these are a handful of companies, like SAS, SPSS, and Splus, that sell statistics to statisticians. Their products are therefore too sophisticated for the business user and are not really competitors of Stics.
- Large Analytic Product Vendors, like Unica, tend to sell modeling packages to high end, small volume customers and to form their reputation in Fortune 500. This software is designed again for statisticians inside companies and tends to be difficult to integrate.
- Small Analytic Product Vendors are the nearest to the Stics business model. They still tend to form their reputation based on the complexity and sophistication of their modeling, not on the pragmatic usability or its stability. There are only a handful of very early stage companies (similar to Stics size) in this venue.
- Other entities that frequently talk about analytic offerings and can be confused with real competition (like OLAP Vendors or Large Analytic Consultants or Small Analytic Consultants) really represent either acquirers of Stics or viable customers of Stics.

Distribution/Marketing Plans:

Stics's Decision Science products are available as embeddable analytical engines, designed for integration into enterprise applications, and as a stand-alone application. The Software Development Kit (SDK), containing both Scoring Science and Valuation Science, provides seamless integration into any data-rich environment. Decision Science for Marketing is a desktop application that utilizes this SDK and provides both scoring and valuation modeling for MS Windows(platforms.

Stics is an OEM or channel provider of embedded predictive analytics. As such, it tends to approach vertical markets with answers to specific analytical questions that are relevant in that vertical. For instance, in the GIS vertical, where a store should be located is a question easily understood with the embedded Stics technology. The leading providers in this vertical provide the data environment or the context to the ultimate end user. Together the Stics and the channel partner provide the least expensive and most effective answer to this question.

Thus the Stics marketing plans involve developing OEM relationships with the leading providers in each of the targeted verticals. For instance, there are similar questions in the verticals of Customer Relationship Management (CRM), Campaign Management Systems (CMS), Direct Marketing, Human Resources, Banking and Finance, and many levels of federal and state organizations. The final product received by the end users in each of these verticals can vary widely, but the provision via technology and this approach is both swift and effective.

Fifth Year Revenue & Earning Projections:

Stics sells its software products to other software and data providers who in turn resell it under their own private label. Pricing for the suite depends heavily on the particular vertical environment. Stics receives a percentage of the revenue that the reseller receives from the end user for the new analytical

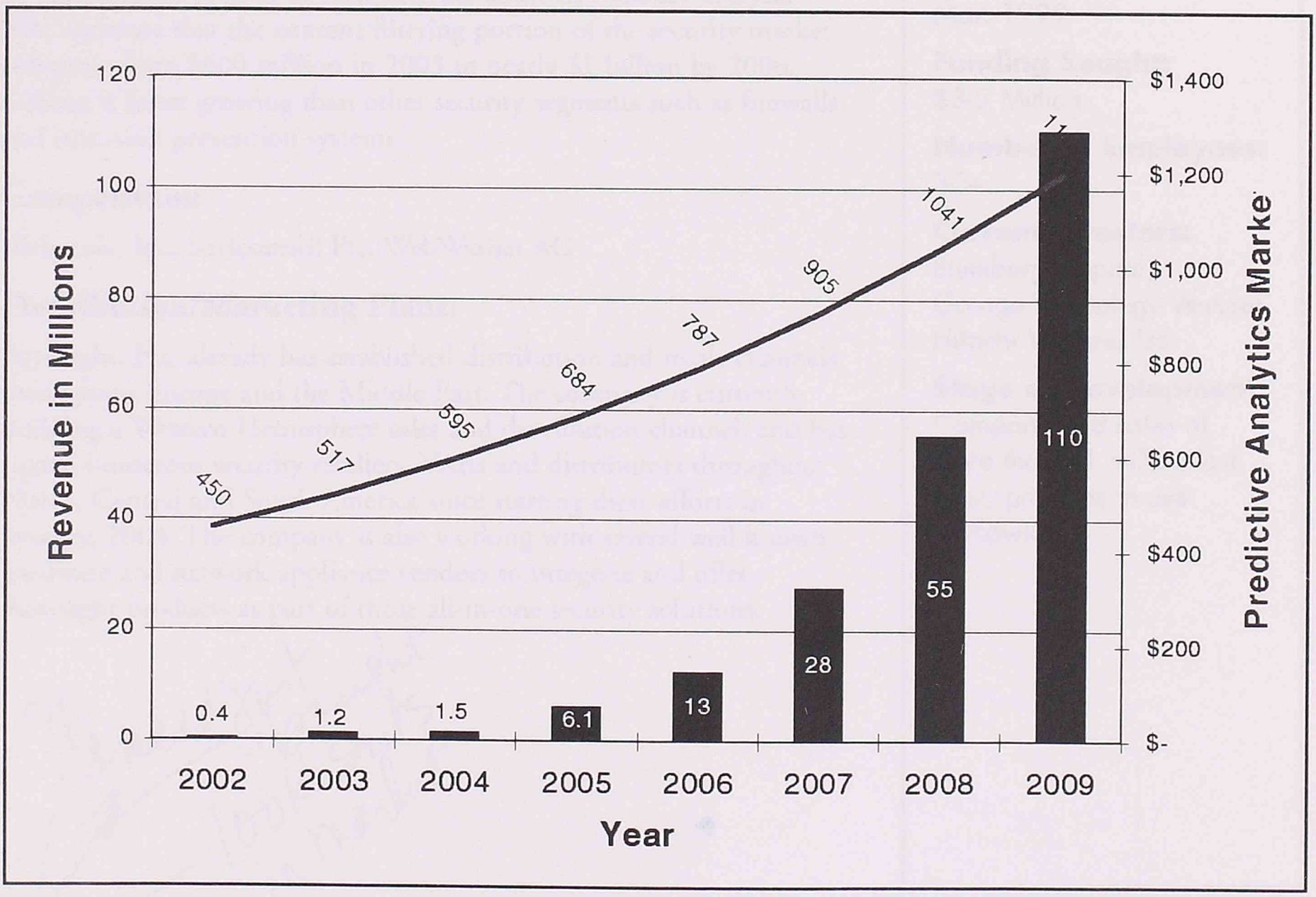
feature or product. This percentage varies considerably depending upon the volume of units sold, the depth of features integrated, and the end user pricing methodology used by the reseller. These percentages mirror the resellers own internal margins and cost of goods sold calculations for its products.

Reseller deals create recurring revenue and can be quite lucrative with only a small number of resellers. Annual recurring revenue from a typical reseller deal would range from $250,000 to multiple millions. For example, we are currently pursuing a reseller relationship with one of the largest CRM software providers. If successful we would anticipate a revenue stream of $1,000,000 recurring into future years. Stics's 2004 goal is to land a reseller/OEM deal every month to these recurring revenue contracts. Long run success would be to sign up 80 resellers by 2008 generating recurring revenues of $40 to 55 million.

The probability of landing nine resellers deals in the remaining months of 2004 is about 60%. We are still looking for early adopters in this market. Three closed reseller deals, including one marquee account, would generate the necessary funds to break-even. The risks therefore are that the market will not move quickly enough to provide three early adopters. Stics believes in the staging of arrival of investment to mirror the achievement of milestones like these. As OEMs are secured, additional integration and support resources will be needed, creating a natural investment plan.

Management Team:

Stics employees are positioned as consulting resources with a flexible commitment of hours. Minimum staff is three and maximum staff of twelve employees. The Stics management team is comprised of President/CEO (Christy Joiner-Congleton), VP of Marketing (Craig Whitney), VP of Finance (Jerry Suennen), and two Directors of Business Development (Leland Rolling and Janet Shelton). Christy sets the company's strategy and is operating manager. Craig leads marketing and product management. Jerry leads the HR, accounting, and administrative functions. Leland and Janet each manage OEM sales for different industry verticals. Stics needs to augment the management team with a recognized technical expert in analytics as VP of Analytics.



PureSight, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

PureSight provides solutions for the corporate, educational, ISP and home markets and has been deployed, around the world, at sites of major corporations, leading ISPs and schools. PureSight also partners with leading appliance manufacturers and security solution providers to provide the right solution for any network size or configuration.

Product/Technology Description:

PureSight is a powerful new generation content filtering built around a proprietary technology called Intelligent Content Recognition (ICR). Using ICR, PureSight can read and classify Internet content on-the-fly, filtering the unacceptable from the acceptable in real time. The result is a faster, more accurate Internet content management system that always provides complete coverage of the Internet no matter how large it grows. Best of all, because PureSight isn't dependent on a website database, there are no recurring subscription fees or daily downloads required to keep your system complete and accurate.

Industry Overview:

PureSight is part of the content filtering segment of the multi-billion dollar network security market. Content filtering systems are used by enterprise, education, governments and individuals to control the in-flow of potentially offensive, objectionable and/or illegal Internet materials into organization networks and desktop computers. Because of the explosive growth of such Internet content, Industry analysts IDC estimate that the content filtering portion of the security market will grow from $600 million in 2003 to nearly $1 billion by 2006, making it faster growing than other security segments such as firewalls and intrusion prevention systems.

Competition:

Websense, Inc, Surfcontrol Plc, WebWasher AG

Distribution/Marketing Plans:

PureSight, Inc. already has established distribution and resale channels throughout Europe and the Middle East. The company is currently building a Western Hemisphere sales and distribution channel, and has signed numerous security resellers, VARs and distributors throughout North, Central and South America since starting these efforts in January, 2004. The company is also working with several well-known hardware and network appliance vendors to integrate and offer PureSight products as part of those all-in-one security solutions.

Company Profile:

Address:
300 Avenida Palmeras
San Clemente, CA 92672

Forum Participants:
Cleve Adams,
President & CEO

Phone:
(949) 361-3379

Fax:
(949) 498-5247

Sector:
Network Security

Homepage:
www.puresight.com

Legal Form:
Deleware Corp.

Amount of Capital Raised:
$3.1 Million

Date Established:
Mar. 1999

Funding Sought:
$3-5 Million

Number of Employees:
30+

Current Investors:
Blumberg Capital,
Garage Technology Ventures,
Hitachi Ventures Ltd.

Stage of Development:
Company had sales of more than $1 million last year; products in use worldwide

Fifth Year Revenue & Earning Projections:

$8 million

Management Team:

J. Cleve Adams, President & CEO
Websense, SVP Global Sales & Marketing
Sequel,EVP Sales, (acquired by CA)
Acusoft, CEO, (acquired by Platinum)
Icon Intl., (acquired by EMC)
Novell, TI

Ouri Azoulay, General Manager & COO
HBOC Israel, GM (acquired by MCK)
Harvard Comm Plan, IT Planning

Netta Mendelson, CTO & Co-Founder
IBM, Software Engineer
Technion Univ. with honors

Royi Cohen, VP R&D & Co-Founder
Intel, Senior Engineer
Technion Univ. with honors

Michael Isakov, VP Sales, EMEA
Cimatron, Regional Manager
Israel Aircraft Industries, Program Manager

Sage Osterfeld, VP Marketing (consultant)
President, Blunt Information Design
Websense, Director of Marketing

Objectiva Software Solutions

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Objectiva is the premier software services company outsourcing from China. Objectiva is based in San Diego, has offices in San Francisco and Toronto and a Development Center in Beijing, China. Objectiva focuses on software development outsourcing and has completed work for Fortune 100's and startups.

Product/Technology Description:

Industry Overview:

Offshore outsourcing is one of the fastest growing sectors in the IT industry. Historically dominated by companies from India, Objectiva is a US based company with a development center in China. Analysts agree, China is the next destination of choice for software outsourcing and Objectiva is one of the biggest and arguably the best that China has to offer.

Competition:

China's domestic IT services companies have recently begun to consider selling to the US market. However, they lack the experience and skills to do so effectively. There are many smaller Chinese companies with small sales presence in the US but they lack the software experience and management team to compete effectively.

More credible competitors are the large Indian outsourcing companies who have made noise about entering China but so far have remained out.

Distribution/Marketing Plans:

Proceeds from investment will be used to increase the US sales capacity, initially with an office in Orange County ($500K 1 year budget) and San Francisco ($500K, 1 year budget). The focus will be on direct sales and establishing partnerships with local domestic services companies.

'03 $2.6 Rev | 200K profit

Company Profile:

Address:
171 Saxony Road
Encinitas, CA 92024

Forum Participants:
J. Douglas Winter, CEO

Phone:
(760) 635-2633

Fax:
(800) 878-6975

Sector:
Software Services

Homepage:
www.objectivasoftware.com

Legal Form:
Corporation

Amount of Capital Raised:
$800,000

Date Established:
7/1/2001

Funding Sought:
$2m

Number of Employees:
90

Current Investors:
Document Sciences Corp

Stage of Development:

Management Team:

Objectiva was founded by four people from unique backgrounds and a shared vision to help companies create software organizations for the 21st century:

J. Douglas Winter, CEO - an electrical engineer who graduated from MIT's Leaders for Manufacturing (LFM) Program, Douglas has been a General Manager in Offshore Software Development since 1998. Douglas has over 12 years of industry experience at Westinghouse, QUALCOMM and ONEWORLD Software Solutions.

Tao Ye, COO and President of Objectiva China - a naturalized US citizen currently living in Beijing, Tao is also a graduate of MIT's LFM program, where he focused on supply chain engineering and international business. Tao has management experience at GE, Kodak and Intel where he managed a team that worked on their Rosetta Net project.

Dr. Nasser Barghouti, CTO - a PhD from Columbia University, Nasser capped 9 years of formal academic study in Computer Science with a summer at the Software Engineering Institute (SEI), where CMM was developed. Nasser has 13 years of industry experience, including software engineering research at Bell Labs and chief architect for Bear Stearns' ClearNet on-line financial services infrastructure, a highly successful 150 person, $80m development effort

Dr. Yiping Tan, Director of Delivery - a PhD in theoretical physics, Dr. Tan's post graduate work at Stanford University focused on computer modeling of sub-atomic particles. Dr. Tan has more than 11 years of experience leading distributed software projects for companies in the US and Europe during which he developed a deep understanding of enterprise software architectures

Fifth Year Revenue & Earning Projections:

Year	Revenue ($1,000's)	Net
2003 (actual)	2,602	9%
2004	5,000	12%
2005	10,000	14%
2006	18,000	16%
2007	28,000	18%

Cognitive Verification Technologies

UCSD CONNECT
where entrepreneurs come for results

Company Overview:

Cognitive Verification Technologies' ("CVT") business is the application and commercialization of the No Lie MRI™ software. By utilizing functional Magnetic Resonance Imaging (fMRI) in conjunction with the No Lie MRI™ software, CVT has created a **direct neurological measure for lie detection** with a verified efficacy that dramatically exceeds all other technologies in use today. Use of this technology by military and law enforcement will greatly enhance their ability to discriminate truth from deception.

CVT can deliver this product on a cost effective basis to a multi-billion dollar market for commercial, law enforcement, and government use. CVT has finished its first phase of development and is poised to bring this technology to the market place. CVT has combined top technology talent with business, operational, and marketing talent to bring the product to commercialization. There is an immediate need that has created a market opportunity that promises achievement of a high level of revenue over the next two years. Additional product applications and market penetration will follow into the future, supporting long-term growth of revenue and profit.

Product/Technology Description:

A 99% accurate lie detector based on functional Magnetic Resonance Imaging (fMRI) of brain regions responsible for carrying out the higher order functions involved in lying.

No Lie MRI™ software has the following characteristics:

1) Automated (requires no human intervention)
2) Observer independent (objective)
3) Reproducible
4) Based on sound biology and statistics
5) Insensitive to countermeasures by suspects.
6) Real time delivery

The CVT product measures lying directly and is more accurate than all currently available methods, which measure indirect associations. The CVT product is theoretically more accurate than any other method under development today.

Industry Overview:

The polygraph test - a $2 billion market — has now been discredited by the National Academy of Sciences. This created a vacuum in the lie detection market. Other products (smaller market share) have a similar low detection rates. Now, with the heightened interest in national security and fraud detection, the market need is rapidly increasing and is unfulfilled.

Company Profile:

Address:
354 Gravilla Street
La Jolla, CA 92037

Forum Participants:
Alex "Pete" Hart: Director
Joel T. Huizenga: CEO
Michael Willoughby, Ph.D., CFA: CFO
Gary Jahns, Ph.D.: CTO

Phone:
(858) 459-5396

Fax:
(858) 459-8122

Sector:
Technology

Homepage:
www.noliemri.com

Legal Form:
California C Corp

Amount of Capital Raised:
$2 million

Date Established:
January 31, 2002

Funding Sought:
$6 million

Number of Employees:
10

Current Investors:
University of Pennsylvania
DoD
ISCHEM Corporation

Stage of Development:
Pre Revenue-Series A

Competition:

Polygraph (Polygraph Institute); Hi-def thermal-imaging (Honeywell Laboratories); Voice technologies (National Institute for Truth Verification); Near-infrared technology (Development by Britton Chance); Event-related potentials (Larry Farwell); Visual deception detection technologies.(Research UCSD).

Distribution/Marketing Plans:

VeraCenter: The commercial and individual outlet, company owned or licensed franchise business center, that provides access to MRI machines in a business environment to conduct interviews using No Lie MRI™ software. All VeraCenters will have Internet connection to the No Lie MRI™ software. VeraCenters pay for access to the proprietary software and bill the client for MRI and for software time use. The business will deliver reliable testing of individuals for clients, or individuals for themselves, to validate truthfulness.

Veracity Sciences: A division of CVT, which focuses on the applications and implementation of No Lie MRI™ products and services for the U.S. military, other U.S. government agencies, state government agencies, other law enforcement agencies, and foreign governments. Veracity Sciences will also organize the product delivery process to meet any collection of special characteristics required by different organizations. Veracity Sciences is separate business division from VeraCenter.

Fifth Year Revenue & Earning Projections:

Fifth Year Revenue Projection: $700,000,000

Fifth Year Earning Projection: $225,000,000

Key Personnel:

Joel Huizenga -Founder, CEO, and Director

Founder of ISCHEM Corporation which is automating MRI for detection of "vulnerable" plaque for the heart disease and stroke market place.

Alex W. "Pete" Hart - Director

Former CEO of Advanta Corporation and MasterCard International. Presently Chairman of the Board of Silicon Valley Bancshares and US Encode Corporation. On the Board of Sanchez Computer Associates, Global Payments, Inc., and FairIsaac Corporation and GeoTrust. An Advisor to many companies.

Lawrence Weisdorn - Director

Experience includes: taking multiple companies from conception through successful public stock offerings and beyond.

Charles L. Christensen - President

Experience includes leadership positions in companies that develop engineered products and services serving government and commercial customers.

Michael Willoughby, Ph.D., CFA -Chief Financial Officer

Former national valuation consultant. UCSD economics & finance professor.

Gary L. Jahns, Ph.D., CTO and Vice President of Project Management

Successful guidance of teams of developers in a multitude of high technology projects.

Tzyy-Ping Jung, Ph.D., Vice President, fMRI and EEG Product Development

Developed engineering technologies to be used in product development while working at the Salk Institute in fMRI and EEG.

James G. Leatham, Vice President, Near-Infrared Spectroscopy Product Development.

Experience includes: Near-Infrared detection of breast cancer with Britton Chance.

Joel S. Lisker, JD. Marketing and Sales Liaison for the Federal Government.

Former Chief Counsel and Staff Director of the U.S. Senate's Committee on the Judiciary Sub-Committee on Security and Terrorism, FBI Special Agent, and the Senior Vice President for Security and Risk Management for MasterCard International.

Gia Honnen Weisdorn, JD, LLM, MBA - Corporate Counsel

Has counseled corporations at every stage of development and the oversight of intellectual property.

Dan Chambers, JD- Patent Lawyer

Filed patent work in parallel technology for ISCHEM in heart disease.

UCSD CONNECT™
where entrepreneurs come for results

CVT Science Board:

Daniel D. Langleben, MD, Assistant Professor, Psychology, University of Pennsylvania

The inventor of lie detection technology used by the company.

Terrence J. Sejnowski, Ph.D., Professor, Biology and Head of the Computational

Neurobiology Laboratory at Salk Institute; Professor, Biology, University of

California, San Diego; and Investigator, Howard Hughes Medical Institute.

Dr. Sejnowski is a founder of the field of Computational Neuroscience. He was fundamental in development of neural network computing and the inventor of Independent Component Analysis (ICA), both of which underlie product development by the company.

James V. Haxby, Ph.D., Professor of Psychology, Princeton University

Founder of the field of understanding face perception by the brain. He has instituted the use of fMRI, EEG, data analysis and pattern recognition in the field.

Ruben C. Gur, Ph.D., Professor of Psychology, and Director of the Brain Behavior Laboratory, University of Pennsylvania.

Performed a wide range of experiments exploiting neuroimaging to study human brains and behavior in healthy people and patients with brain disorders.

Halbert White, Ph.D., Professor of Economics, University of California, San Diego

Patent-originator of rigorous non-linear statistics to pattern recognition with neural network computers, allowing precise optimization of products using these technologies.

iGolf Technologies, Inc.

UCSD CONNECT
where entrepreneurs come for results

Company Overview:

iGolf Technologies develops innovative solutions for the golfing industry using sophisticated, cutting-edge technology. iGolf's current focus is developing a family of products using Global Positioning System (GPS) technology to measure distances on golf courses around the world. With this information, golfers are able to more accurately determine the remaining distance to the green and select the appropriate club to help lower their score.

Product/Technology Description:

iGolf Technologies' line of affordable GPS products assists golfers in lowering their score, provides golf courses revenue-generating opportunities and supplies golf cart fleets with a low-cost alternative to current solutions. This line of highly specialized golf products utilizes GPS data points to provide golfers with distance measurements to the front, center and back of a green.

Industry Overview:

The United States golf industry is the largest in the world with over 26 million golfers and almost 16,000 private and public golf courses. Golfers, by nature, are attracted to new technology and gadgets to help improve their game. The National Golf Foundation (NGF) has identified 14 million "core golfers" who are male, over the age of 18 and play 8 or more rounds of golf per year, who are ideal candidates for iGolf consumer products. Further segmentation based on income, occupation and education has resulted in a narrowly focused target market of 8 million golfers. iGolf has also targeted approximately 10,000 golf courses as customers for the business solutions.

Competition:

iGolf Technologies competes with companies offering various products designed for the exclusive purpose of assisting golfers in measuring distance. However, these competing products are severely limited in scope, as they are only applicable to one specific market segment. The consumer market has only one main competitor and iGolf is well positioned to compete, controlling the SD GPS Palm market and the market for SD GPS Palm and Pocket PC golf solutions. iGolf also has an innovative line of future GPS products in development (i.e. iGolfgps for mobile phones and the iGolf Handheld). The enterprise market has a few competitors; however, only one offers a similar mobile solution. In this market, iGolf will compete on price, functionality and convenience. The business market has remained untouched by competitors, leaving iGolf with the only solution available.

Distribution/Marketing Plans:

To achieve the level of sales forecast and successfully enter the various market segments, iGolf has developed a sales strategy for each of the current product lines. The SD GPS Package initially is sold internally to capture high profit margins from early adopters and then made

Company Profile:

Address:
3645 Ruffin Road,
Suite 310
San Diego, CA 92123

Forum Participants:
Brian Verdugo, President

Phone:
(858) 432-0369

Fax:
(619) 374.2401

Sector:
Golf/GPS Technology

Homepage:
www.igolftech.com

Legal Form:
Corporation

Amount of Capital Raised:
$100,000

Date Established:
8/14/2003

Funding Sought:
$500,000

Number of Employees:
3

Current Investors:
Founders/Management

Stage of Development:
Start-up

available to affiliates and wholesalers to increase sales volume and market penetration. Additionally, the SD GPS unit will be offered to companies using a mobile GPS based application in their operations. The iGolf Handheld designed for the golfing consumer initially will be sold to a premium retail distributor and branded for their exclusive use. Future sales are generated through the use of infomercials, as well as international distribution channels. Sales of the Handheld used in iGolf's business solutions focus mainly on direct sales to golf facilities. Initial efforts utilize internal resources already available and target facilities in our general area. Sales expansion occurs through the establishment of partnerships with golf facility supply companies and strategic alliances with major golf equipment manufacturers. Additional expansion is accomplished with the addition of independent sales representatives representing iGolf's product line around the world.

Fifth Year Revenue & Earning Projections:

Revenue is forecast to increase steadily due to increased product awareness, improved functionality and decreased cost of goods sold. In 2007, revenue is expected to be almost $49 million, with net profit reaching over $23 million.

Management Team:

Brian Verdugo-President, an entrepreneur with previous success starting and selling his first company; Dan Galatro-Chief Financial Officer and Vice President of Operations, an MBA from San Diego State University with international management experience and professional experience in strategy development, finance and marketing; and David Alexander-Vice President of Sales, former Vice President of Sales for MWC Sportswear with several years of executive level sales experience.

To support the executive team, an advisory board of industry professionals has been recruited including senior executives and owners of golf companies, consumer electronics sales executives and managers of golf retail stores.

The Solution

Biomatrica offers a unique, instant infrastructure for life science laboratories, universities, research institutes, law enforcement agencies, health care units, biotechnology and pharmaceutical companies worldwide. It provides unique dry storage hardware and software components as a novel platform for sample and data management of millions of data points for genomic, proteomic, drug development, forensic and medical research. Biomatrica solutions overcome the challenges of organizing and analyzing the overwhelming amounts of biological samples and data. The Biomatrica platform allows research organizations to join the biological revolution and to perform affordable state of the art biology and biomedical research.

Product/Technology Description:

The SampleGard™ system is a novel, secure storage device that is smart-chip enabled to facilitate sample management. Samples are stored in a dried form, at ambient room temperature, and no longer need to be maintained in -80° freezers. This is a tremendous advantage in terms of cost efficiency and convenience.

Biomatrica software solutions provide a seamless interface between research data and data-mining tools. The SampleWare™ software is the accompanying tool that provides an instant infrastructure for data management, sample organization and retrieval. SampleWareTM is a user-friendly set of software tools scalable from a single user to thousands of users at multiple sites. The MatrixMiner™ software allows the user access to a comprehensive suite of data-mining programs through a single interface.

Industry Overview:

Biomatrica operates within the life science infrastructure industry. More specifically, it provides solutions to the need for sample and data management within a variety of life science organizations that range from academic laboratories and commercial research organizations to large governmental agencies. As a solutions company, Biomatrica integrates a number of disciplines including hardware technologies, software development and reagents to bring products to market that address needs in molecular biology, biochemistry, chemistry, medical and forensic applications.

Competition:

Companies with competing, but not directly comparable, products include Whatman and GenVault for sample storage, LIMS and FreezerWorks for organizational software, and Accelrys and DNAStar for data mining software. Biomatrica stands apart from these companies because of its unique integration of dry sample storage and organizational software tools that are both economical and accessible to virtually every scientist and every laboratory enterprise in the world.

Distribution/Marketing Plans:

Potential customers exceed 3 million scientists worldwide. Biomatrica does not intend to establish a large direct sales organization. The number of potential customers and purchase decision-makers is too large to approach in that manner. Instead, the company is establishing a distribution channel that optimizes the use of selective advertising, targeted selling and strategic sales partners.

The Biomatrica dry storage and retrieval infrastructure will be marketed and sold to university research laboratories, biomedical and agricultural research institutions, biotechnology companies, pharmaceutical companies, forensic laboratories and governmental organizations worldwide. A complete product line will be marketed to scientists and technicians engaged in a broad spectrum of life science applications including molecular biology, biochemistry, chemistry and more.

Fifth Year Revenue & Earning Projections:

$400 million revenue and $152 million net income before taxes.

Management Team:

Dean Cuplin, M.S., Chairman & Chief Executive Officer is primarily responsible for setting the strategic direction of the Company. He is an experienced business leader with over twenty-five years of management experience in the biotechnology, computer technology, financial services and aerospace industries. He has been a corporate executive and intrapreneur in large corporations such as GE Capital and Storage Technology Corporation. Dean also founded, and was the CEO, of MitoKor, a

biotechnology company and world leader in its field. He received a B.A. degree from the University of Iowa and an M.S. degree from the University of North Dakota.

Corinna Herrnstadt, Ph.D., Chief Operating Officer, is primarily responsible for the operational aspects of the Company. Corinna was most recently Director of Molecular Biology and Genomics at MitoKor and was responsible for leading multidisciplinary scientific staff in the molecular biology and genetics research of complex human neurodegenerative and late-onset metabolic diseases. Previously, Dr. Herrnstadt co-founded Invitrogen, and as a member of the management team of that company, she directed start-up operations, research and development, production and quality control. She was responsible for the development of five breakthrough products for molecular biology research. Dr. Herrnstadt holds a Ph.D. in molecular biology, magna cum laude, from the University of Düsseldorf, Germany.

Rolf Muller, Ph.D., Chief Science Officer, is primarily responsible for product development within the Company. Rolf was most recently a Director of Molecular Biology at HK Pharmaceuticals, developing proteomics technology for complex diseases such as cancer and diabetes. Previously Dr. Muller was Director for high-throughput transcriptional profiling at Digital Gene Technologies where his responsibilities included large scale cloning, sequencing and data analysis for cancer, diabetes, neuronal disorders and infectious disease. Prior to that, he was a scientist at the SALK Institute working on signal transduction pathways for inflammatory diseases and gene therapy. Dr. Muller obtained his Doctorate from the Pasteur Institute in Paris, France.

Judy Muller-Cohn, Ph.D., Chief Business Officer, is primarily responsible for the business development activities of the Company. Judy was most recently a Director of Business Development at Digital Gene Technologies and was responsible for establishing company relations with universities, biotechnology and pharmaceutical companies. Prior to that, Judy was a scientist at Mycogen/Dow AgroSciences where she was responsible for guiding research teams for the identification, cloning and expressing bacterial and plant genes. Judy received her doctorate at the Pasteur Institute in Paris, France, characterizing bacterial toxin genes, which have high market potential as biopesticides.

Aperio Technologies, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Aperio's patented (line-scanning) method for digitizing entire microscope slides is a significant advancement in rapid, high-resolution virtual microscopy. The Company's ScanScope® slide scanner makes it practical - for the first time - to create virtual slides with diagnostic image quality in minutes.

During 2002/03 Aperio developed and commercialized the ScanScope® instrument and specialized software for storing, viewing and analyzing virtual slides. Aperio has delivered over 50 ScanScope systems to end users and OEM partners, and is now recognized as the market leader in the rapidly growing field of virtual microscopy. The Company's ScanScope business is currently profitable.

Aperio is seeking additional investment to focus on the $2.6B/year potential market for automating pattern recognition in traditional (H&E) pathology specimens. The Company's ultimate goal is to earn a reimbursable diagnosis on the majority of the 200 million histology slides that are analyzed annually.

Product/Technology Description:

Aperio has developed novel image pattern recognition software and algorithms based on vector quantization (VQ). VQ is a general mathematical technique for encoding bitstreams using a vocabulary. VQ is particularly suitable for encoding images that have significant redundancy, for example, virtual histology slides containing thousands of almost identical cells. The Company's patent-pending embodiment of VQ is optimized for image pattern recognition, and enables the rapid pattern-matching of any image against previously classified image regions. This approach is unique because it does not rely on (morphological) feature extraction as the basis for pattern matching. Aperio received a high priority score on a (successfully completed) SBIR grant aimed at applying VQ to virtual slides.

Aperio intends to create a series of broadly licensable tissue vocabularies (databases). Using these tissue databases, a pathologist can automatically identify diagnostically significant regions of a slide (based on the patterns selected by the pathologist). The primary benefit is a faster and more accurate diagnosis, which provides direct cost-justification for investment in the Company's products. A critical benefit is that the pathologist (not the computer) continues to make the final diagnosis.

Industry Overview:

The histological evaluation of tissue by a trained pathologist1 is one of the most information-rich diagnostic tools available in medicine. It is also a bastion of manual labor in an otherwise highly automated environment. Each year 25,000 pathologists manually review 200 million slides worldwide, looking for patterns that indicate disease. These patterns, often the first indicators of cancer, may involve only subtle changes in tissue morphology. Early detection is critical because early treatments are more effective and less costly. Pathologists learn to rec-

Company Profile:

Address:
1430 Vantage Court
Suite 106
Vista, CA 92081

Forum Participants:
Dirk Soenksen, CEO
Ken King, CFO

Phone:
(760) 539-1101

Fax:
(760) 539-1116

Sector:
Software & Instrumentation

Homepage:
www.aperio.com

Legal Form:
C-Corp

Amount of Capital Raised:
$5M

Date Established:
2000

Funding Sought:
$5M

Number of Employees:
18

Current Investors:
DakoCytomation A/S, angels

Stage of Development:
Profitable

ognize these patterns over many years of inspecting specimens through a microscope. The diagnostic knowledge and prognostic understanding associated with these patterns is difficult to transfer to other pathologists because the underlying decision processes are subjective. Pathologists may arrive at different diagnoses for the same specimen, potentially compromising patient care.

In addition to being subjective, pathology is expensive because a highly paid pathologist - and not a technician - "reads" the glass slides. In the context of an aging population, fewer pathology residents, ever-increasing numbers of diagnostic tests, and increasing malpractice litigation, there is a pressing need to automate microscopic inspection in pathology.

The primary obstacle to automating the inspection of pathology specimens has been the lack of a practical solution for digitizing entire glass microscope slides at diagnostic resolution. Virtual microscopy overcomes this obstacle by providing a dramatically more efficient and objective environment for microscopic inspection. Instead of looking through the eyepieces of a microscope, pathologists view digital images (virtual slides) on a computer monitor, at any desired resolution, anywhere in the world.

Virtual slides can be analyzed by computer software to automate manually intensive tasks (e.g., finding rare events), for quantitative analysis (e.g., tissue scoring) or to assist pathologists in rapidly finding diagnostically significant patterns (e.g., image pattern recognition).

Competition:

Since the introduction of its first ScanScope in 2001, Aperio has established itself as the market leader in virtual microscopy. The ScanScope's novel line scanning approach has "leap-frogged" traditional (image tiling) systems and set new standards for throughput, image quality and viewing performance.

In its ScanScope business, Aperio competes directly with established image tiling companies (e.g., Bacus Laboratories, Microbrightfield) and with start-up companies aiming to develop faster image tiling systems (e.g., InterScope Technologies, Trestle). The Company's products also compete indirectly with automated microscopy products offered by microscope suppliers (e.g., Zeiss, Nikon, Leica, Olympus) and companies that include traditional microscopes in their offerings (e.g, ChromaVision, Applied Imaging, BioGenex). Aperio is making inroads in converting some of these companies to become OEMs or distributors of the ScanScope platform.

In the area of pattern recognition, Aperio is aware of competitive efforts by other start-ups; however, only Aperio's approach (i) benefits from close integrating with a proven slide scanning platform and (ii) does not rely on traditional feature extraction.

Distribution/Marketing Plans:

Aperio distributes its products directly to researchers in North America and through distributors elsewhere (e.g., Olympus Corporation in Japan). The Company forms OEM partnerships to sell products into specific vertical markets where OEMs offer complementary products and have existing customers, and/or where regulatory and 24/7 support is required (e.g., DakoCytomation, Tissue Informatics).

Aperio plans to leverage its ScanScope distribution channels for selling and supporting its pattern recognition software.

Fifth Year Revenue & Earning Projections:

Sales are projected to reach $5M in 2004, with the potential to reach $125M by 2008. Earning for 2008 are projected to be $33M. Aperio is on track to achieve positive cash flow by Q1 2005.

Management Team:

Dirk G. Soenksen, M.S., M.B.A., Founder, CEO and Director. Dirk Soenksen has over eighteen years experience in all aspects of corporate management. He has been involved in two prior start-ups, most recently as VP/GM at Applied Spectral Imaging, where he was instrumental in raising both private and venture capital. Prior to that, Mr. Soenksen spent six years in product development at GEC-Marconi. He has a proven record of identifying markets for new technologies and holds a number of patents related to microscope-based diagnostics.

Ole Eichhorn, Chief Technical Officer. Ole Eichhorn has over twenty years experience as a software engineer, architect, and manager. He has been involved in three prior start-up ventures, including PayPal, where he served as SVP/Engineering; Intuit, where he was GM of Intuit's web finance subsidiary; and Digital Insight, where he held the position of VP/Engineering. Prior to that, he was VP/Development and Director of Technology for XP Systems.

Gregory J. Crandall, M.S., VP Engineering. Greg Crandall has over twenty years experience leading software development and system engineering efforts. Mr. Crandall has held senior technical and management positions at XP Systems, GEC-Marconi, and Hughes Aircraft Company.

Tim Marshall, Director of Sales & Marketing. Tim Marshall has over twenty years experience in selling microscope-based capital goods and software to research and clinical customers. Mr. Marshall has held leading sales and marketing positions at Cell Analysis Systems, Becton Dickinson, and Applied Spectral Imaging.

Ken King, M.B.A., Chief Financial Officer. Ken King specializes in financial administration for start-ups. Prior to establishing a successful consulting practice in 1988, Mr. King held senior management positions at The Signal Companies after earning his MBA from Stanford University.

Novatron, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Novatron, Inc., under sponsorship of the Defense Advanced Research Projects Agency (DARPA), has developed a novel, proprietary Advanced Ultra Violet System (AUVS) technology platform for destruction of harmful biological substances in flowing air and on surfaces. This technology is ideally suited for critical air sterilization applications in healthcare, military, government, and commercial facilities. The technology is effective for sterilizing air in health care facilities, for protecting personnel in government and military facilities against biological agent attack, for use in commercial buildings to kill mold, flu virus and other harmful organisms and for air sterilization for clean rooms in pharmaceutical and biotechnology manufacturing.

Product/Technology Description:

Novatron's core technology can be described as a novel "photon multiplier" that creates an intense UV killing zone within ductwork for flowing air to rapidly and effectively destroy biological organisms. The UV intensity produced by the AUVS is 1000 times that produced by conventional low power UV systems. As a result, the AUVS is uniquely effective. Unlike filters (including HEPA) that merely concentrate contaminants and can fail without warning, the AUVS kills microorganisms and its performance can be continuously monitored and verified. The AUVS is modular and can be installed in standard HVAC system locations, such as the air-handling unit, the mixer or the duct.

The core technology has been tested and validated in a full-scale DARPA test building to prove the operational effectiveness. A compact prototype 3500 cfm system, the BioProtectorTM BP 246i, has been developed for hospital and commercial applications.

The company is in pre-commercialization stage. Research and development has been funded to date by DARPA and CCAT with approximately $5,000,000. Domestic and foreign patents have been filed and are pending.

Industry Overview:

The projected markets for the AUVS technology BioProtectorTM product line are large. Air treatment markets in the United States are currently greater than $1 billion and include hospital surgical suites and isolation rooms; bio agent protection for buildings, shelters, military facilities and vehicles; as well as systems to improve air quality, eliminate mold in building air systems and residential air sterilization systems. Further outbreaks of emerging pathogenic organisms such as the virus responsible for SARS could result in a considerable increase in demand for air sterilization technology.

Competition:

Competition includes air filters and low power UV lamps. The AUVS / BioProtector is significantly more effective and less expensive than such competitive products. The AUVS is rapid, effective and economi-

Company Profile:

Address:
5955 Mira Mesa Blvd.,
Suite A
San Diego, CA 92121

Forum Participants:
Wayne Clark,
Joe Stumpf

Phone:
(858) 638 7101

Fax:
(858) 638 9808

Sector:
Air purification/sterilization

Homepage:
www.NovatronInc.com

Legal Form:
Sub S Corporation

Amount of Capital Raised:
$5 million in DoD Funding

Date Established:
April 2000

Funding Sought:
$5 Million

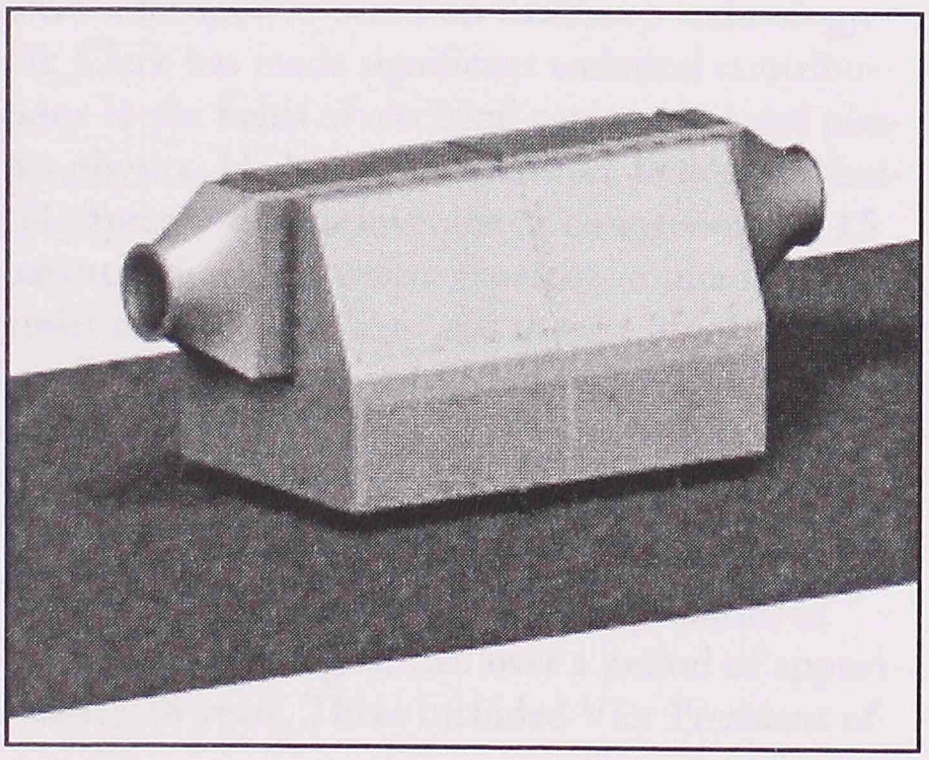
Number of Employees:
6

Current Investors:
Founder, key employees

Stage of Development:
Pre- commercial with prototype product

cal, producing an immediate and complete kill of airborne infectious organisms (SARS, smallpox, pneumonia, flu virus, etc.). Intense UV can inactivate mold spores, legionella and tuberculosis bacteria. Unlike filters, including HEPA, that merely concentrate contaminants and can fail without warning, the AUVS kills microorganisms, and the technology enables the user to verify that potentially harmful viruses and other microorganism are being destroyed. HEPA filters must be cleaned and changed due to their capture versus kill approach. Seals utilized in current HEPA filters are prone to leak, creating performance and reliability issues. The AUVS minimizes or eliminates these issues. Competing low power UV lamp systems are not effective, typically providing very low destruction rates, in many instances less than 90% reduction of microorganisms.

Tests of AUVS have demonstrated kill of 99.9999% of UV resistant spores in air flowing in air ducts. The technology is highly effective for destroying Bacillus subtilis and Bacillus pumilus endospores that are significantly more resistant to UV than anthrax spores, viruses and vegetative microorganisms. The system yields constant sterilization levels even for the small particle sizes that are not effectively removed by filters. The system is many orders of magnitude more effective than filtration for viruses, and can potentially be used in conjunction with photo catalysts and photo oxidants to optimize destruction of organic chemical compounds.



Novatron air treatment units can be scaled for room size applications or for use in large HVAC systems.

Distribution/Marketing Plans:

Novatron will sell commercial products through existing HVAC system distributors. Government sales will be made directly both to government agencies and facilities and to large systems integrators and aerospace companies involved in the retrofit of existing facilities and construction of new facilities. Except for key proprietary components, manufacturing and assembly will be outsourced. Novatron will also consider licensing to large HVAC system manufacturers. Key management, marketing and manufacturing personnel will be recruited to develop sales and marketing materials, establish and manage distribution and sales channels and manage outsourced manufacturing operations.

Fifth Year Revenue & Earning Projections:

Market penetration projections are shown below for the two initial focus sectors: health care and government. Penetration projections include both new unit and retrofit unit markets. Initial healthcare revenue projections include consideration of size and adaptability for bone marrow transplant centers, isolation rooms, oncology centers, and surgery centers. Novatron has the ability to commercialize the products quickly for these high need customers. Government projections include known current projects funded by the Department of Defense and Homeland Security. Based on current pricing models, gross margins are projected at 50% and after tax earnings are projected at 8% of revenues. Projected revenues for year 5 are $95.6 million with projected after tax earnings of $7.6 million.

Revenues in millions

	Healthcare Sector Assumptions	HC Market Penetration	Government Sector Assumptions	Gov't Market Penetration Revenues	Total Projected
Year 1	$1.1	2%	$.5	8%	$1.6
Year 2	$2.0	4%	$7.6	15%	$9.6
Year 3	$4.9	9%	$20.3	21%	$25.2
Year 4	$10.7	20%	$44.7	30%	$55.4
Year 5	$17.3	30%	$78.2	38%	$95.6

Management Team:

Novatron has assembled a highly experienced team of employees and consultants with expertise in the areas of physics, engineering, biological sciences, chemistry, marketing, business development and business management.

Novatron's President and CEO, Dr. Wayne Clark, is a senior executive and scientist with extensive experience and a distinguished management record in high technology environments. He holds B.S., M.S., and Ph.D. degrees in electrical engineering from the University of Texas at Austin, and studied business management at the University of California, San Diego, CA. He was a founder, President, Chief Operating Officer, and Member, Board of Directors of PurePulse Technologies, Inc., where he led the development of new sterilization and pasteurization technology using intense pulsed ultraviolet sources based on flashlamp technology. Dr. Clark has made significant technical contributions in the fields of electrical engineering and plasma physics. He has published more than 25 technical papers and is an inventor or co-inventor on 15 patents. He has extensive expertise in intense ultraviolet source technology and the use of UV technology for commercial, industrial, and defense applications.

In addition to founding PurePulse Technologies, Inc. and managing the company for nine years, Dr. Clark held a number of responsible positions at Maxwell Technologies, Inc. over a period of approximately 18 years. These included Vice President of Business Development, Maxwell Systems Division; Vice President, Maxwell Europe; Corporate Vice President, Maxwell; Vice President and General Manager, Lucidyne, Inc. (a subsidiary of Maxwell); Vice President of Engineering, Lucidyne, Inc.; Director, DoD Program Office at Maxwell; and Program Manager for major DoD Nuclear Weapons Effects programs at Maxwell. Prior to joining Maxwell, he worked at Los Alamos Scientific Laboratory in the Physics Division, and before that was a Research Scientist conducting research in plasma physics in a joint appointment at Cornell University and The University of Texas.

Dr. Bernard Eastlund, Novatron's Chief Technical Officer, is a physicist with a B.S. degree from Massachusetts Institute of Technology and a Ph.D. from Columbia University. He has published over 30 refereed papers in scientific journals and holds 17 patents as inventor or co-inventor, including several which underlie commercially significant products and several related to national security. He is an expert on industrial applications of intense ultraviolet light. Between 1971 and 1974, he was Chief Technical Officer and founder of Fusion Systems Corporation, where he invented the core technology, a microwave powered ultraviolet light source. He has recently been awarded three patents for applications of high temperature plasmas to chip manufacturing and to radioactive waste separation.

Dr Eastlund has extensive experience in high technology business environments, having successfully founded and managed several technology ventures

in recent years. Previously, he was Vice President for Energy Technology with the BDM Corporation of McLean, Virginia, and prior to that he was a Senior Technology Consultant for the Atlantic Richfield Corporation of Plano, Texas. From 1966 to 1974, he managed Controlled Thermonuclear Fusion Research programs for the U.S. Atomic Energy Commission.

Mike Ingram, Novatron's Chief Engineer, is an Electrical Engineer specializing in pulsed power devices and technology. He holds B.S. and M.S. degrees in Electrical Engineering from Texas Tech University. He has authored or co-authored more than 12 publications in journals or conferences, and has two patents pending.

Prior to joining Novatron, Mr. Ingram was at Cymer, Inc, where he was involved in the development of pulsed power technology for UV excimer lasers used in micro lithography. Before joining Cymer, Mr. Ingram was with Maxwell Technologies, where he was responsible for developing commercial applications of some of Maxwell's core technologies. His work at Maxwell involved the Pulsed Corona Reactor System, a device for eliminating hazardous chemicals from gas streams using repetitively pulsed discharges, and development of the Pixel Ray System, a high resolution, large area amorphous silicon x-ray camera for non-destructive testing. From 1991 to 1996, Mr. Ingram was a Research Engineer at the Naval Surface Warfare center in Dahlgren, VA, where he worked on pulsed gas discharges and repetitive high power switching. From 1986 to 1991, he was with the University of Texas Center for Electromechanics as a Research Associate, developing electromagnetic accelerators and power supplies for DARPA and U.S. Army applications.

Joseph Stumpf, Novatron's Vice President of Administration and Finance has broad experience in finance, administration and government contracting. In recent years, Mr. Stumpf was Vice President of Administration and Finance for PurePulse Technologies, Inc. and later was Vice President, Financial Planning for PurePulse's parent company, Maxwell Technologies, Inc.

BioVigilant Systems, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

BioVigilant Systems, Inc. develops, manufactures and markets a family of next generation, early warning detection devices providing real-time, environmental monitoring of air and water resources. BioVigilant's patented technology enables wide deployment of detectors to sense the presence of airborne or waterborne particulates including anthrax and other weaponized bio-agents, mold spores and other bacterial organisms. The technology provides an estimated 5 to 10 times improvement in price/performance over current detectors and a drastic reduction in entry price which creates new market opportunities providing early warning capability to military facilities, cities, ports, and transportation systems. Driven by recent worldwide events, initial estimates put this total market opportunity at over $3.2 billion dollars cumulatively through 2007.

Founded in 2002, BioVigilant Systems is headquartered in Tucson, Arizona with offices in San Diego, California and Austin, Texas. The BioVigilant detectors are based on patents owned by Dr. Robert N. Hamburger, who is Professor Emeritus and one of the founders of the School of Medicine at the University of California, San Diego. BioVigilant has an exclusive license on Dr. Hamburger's detector patents, and Dr. Hamburger is the Chairman of the Board and major owner of BioVigilant. The original device designer, Dr. Jianping Jiang, has joined Dr. Hamburger in forming BioVigilant. Deward Manzer, a seasoned high tech executive, leads an experienced management team.

Product/Technology Description:

BioVigilant's bio-agent detectors are the most cost-effective early warning detectors on the market providing instantaneous alert of a bio-agent (such as anthrax) attack. Based on patented optical design technology, the detectors measure particle sizes from 0.5 micron to 50 microns, count and classify them with extremely high sensitivity and accuracy. Detectors can detect the presence and size of a single airborne or waterborne particle and determine whether the particle is a live biological particle. BioVigilant's detector covers applications from a personal alert to a multiplexed grid configuration for large buildings, military bases or city areas. When linked to a central control,[hb1] the detectors can provide visualizations of release-origin and plume-spread. The detectors can serve both as early warning devices and as a sample collector for more elaborate biological identification.

The first product offering from BioVigilant is a low cost, early warning detection device, which delivers precise counts and measurements of airborne particles. This information may then be compared to normal distributions and provide an instantaneous alert to changes in the environment (air or water). The device is small and lightweight with low power consumption, thus allowing remote and wireless deployment. A second generation of detector will extract further information related to the biological makeup of the particles being detected. This generation will be able to discriminate between living biological entities and

Company Profile:

Address:
2015 W. Ruthrauff Road
Suite 153
Tucson, AZ 85718

Forum Participants:
Robert Hamburger, M.D., Chairman
Deward Manzer, CEO

Phone:
(520) 292-2342

Fax:
(520) 292-2365

Sector:
Defense

Homepage:
www.biovigilant.com

Legal Form:
Delaware C corporation

Amount of Capital Raised:
$900,000

Date Established:
November 1, 2002

Funding Sought:
$2,000,000

Number of Employees:
7

Current Investors:
Alerion Capital Group, Tucson Desert Angels, individual angels

Stage of Development:
Production ramp up

inert particles. The third generation of detector will analyze the scattered light pattern generated and compare it to a set of existing biological signatures thus providing further identification in real time of the exact type of organism or material in question.

Industry Overview:

The threat of bio-terrorist attacks has become an imminent and lasting reality. The U.S. government has committed billions of dollars in 2004 and beyond to protect against terrorist attacks. According to U.S. government projections the market for bio-agent detectors will grow from $125 million in 2003 to $1.3 billion in 2007 for applications in the military, Homeland Security, EPA, Postal Service, and other government facilities. The industrial market will add significantly more market potential.

Competition:

Historically BioVigilant's competitors have offered sensitive, laboratory-based products ranging in price from $15,000 to over $40,000. Such competitors do not provide low cost, ruggedized, maintenance free detectors for use in a broad set of environments. Other competitors offer standard industrial particle sizers, which approach BioVigilant's pricing level of $3,000-$5,000, but do not provide the sensitivity and accuracy to characterize the particle environment for bio-agent detection without the susceptibility to false positive indications, a show stopper for wide spread deployment.

Distribution/Marketing Plans:

BioVigilant will focus in early 2004 on the deployment of initial product configurations to strategic customers and partners laying the groundwork for a broad expansion in 2005 Biovigilant will 1)engage key consultants to accelerate entry into the target markets by opening doors and providing guidance in gaining support from various U.S government agencies and provide linkages into key government development efforts, 2)create strategic technical partnerships to provide customers with access to the latest telecommunications, electronics and system analytics available, and 3)ally with key test and verification centers which can provide independent data related to the performance and capabilities of Biovigilant's products.

Fourth Year Revenue & Earning Projections:

BioVigilant's plan is to achieve revenues of $78 million in 2007 with a 68% gross profit and EBITDA of $33.6 million and a net income over $20 Million.

Management Team:

Chairman and Chief Medical Officer: Robert Hamburger, M.D. - Dr. Hamburger is Professor of Pediatrics Emeritus and former Head of the Immunology and Allergy Division at the University of California in San Diego (UCSD). He was a founder of and a consultant to La Jolla Diagnostics Inc., and former Director of the Allergy Immunology Laboratory at UCSD. He is Past President of the UCSD Emeriti Association and was one of the Founders of the School of Medicine at UCSD. He is a graduate of the University of North Carolina and of Yale University School of Medicine.

CEO: Deward Manzer - Mr. Manzer has over twenty-five years experience in the management of high-tech companies. He is the former President and CEO of Moltech Corporation, Chairman/President and CEO of Vanguard Automation, President and CEO of Breault Research Organization, President and COO of GTECH Corporation, and President and CEO of Chemco Photoproducts. Mr. Manzer was also Vice President and General Manager of Honeywell's Large Computer Products Division. He has a degree in Physics from Harvard University.

Executive Vice President of Government Marketing and Business Development: Louis Montulli, Ph.D has over twenty years experience in senior military positions and management with major aerospace contractors. He was formerly Senior VP of Business Development with Lockheed Martin, VP of Engineering with Boeing Military Airplanes, and a technical advisor to the White House. Dr. Montulli received a Ph.D. in Engineering from UCLA, a Masters in Aeronautical and Mechanical Engineering from AFIT, and a BS in Mechanical Engineering from the University of Rochester.

Chief Technology Officer: Jianping Jiang, Ph.D is responsible for BioVigilant's detector technology, product development, and R&D activities. Dr. Jiang holds 6 U.S. patents in optics-based detectors. He has experience in the fields of optics, spectroscopy, biology and related sciences. Dr. Jiang has consulted for RNA Co., Sunbeam Corporation, Donnelly Corporation and Sharper Image. Dr. Jiang received his Ph.D. in Physics from the University of Southern California, and his B.S. from Peking University in Beijing China.

Vice President of Business Development: Scott McGill has over fifteen years in the early development of companies within the semiconductor, electronics and biotech markets. Early engagements included technical program management at Lockheed and Compaq Computer. He was the former VP of Business Development for Robotic Vision Systems, Inc. (RVSI) and Vanguard Automation. Mr. McGill holds several patents related to microelectronics development. He has a BS in Engineering from the University of Arizona and an MS in Engineering from Pennsylvania State University.

Chief Financial Officer: Anthony Grega has over twenty-five years experience in start up ventures, major acquisitions, international business management, financial reporting and management of accounting. As CFO of Moltech Corporation, Mr. Grega led the financing efforts raising $65 million in equity and $60 million in debt over 7 years. He was the former Sr. VP and Business Manager Latin America of Burson-Marsteller and Assistant Secretary-Treasurer of Rowntree Mackintosh Canada Ltd., and Supervisor of General Accounting, for Canadian Gypsum.

Visioneered Image Systems

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

VIS designs and manufactors electronic billboards.

Product/Technology Description: Existing electronic Light Emitting Diode (LED) billboard technology is expensive, marginally bright enough in sunlight and too heavy to hang on existing billboard platforms without expensive reinforcement of the structure. Additionally, the LEDs degrade over time, causing a loss of brightness and color uniformity that noticeably reduces image quality.

VIS electronic billboards (EBs) overcome these deficiencies. The low weight design can be hung on existing structures with little modification. VIS's patented and patent-pending Pixel-Perfect Technology TM produces a brighter (actually better than twice as bright) and more vivid image in any ambient lighting environment and ensures color uniformity for the life of the billboard. VIS will win any side-by-side comparison or "shoot out" with a competing electronic billboard. The company plans to have our electronic billboards "Pantone Certified". That means perfect color rendering, highly desired by advertisers. Our technology ensures that VIS - EBs will have twice the useful life of any other electronic billboard, guaranteed. No other EB manufacturer will be able to make this claim. Finally, our costs are lower than the competition. These are the company's sustainable competitive advantages.

Industry Overview:

The $5 billion Out-of-Home Advertising (OHA) industry has limited opportunities for growth, as few new billboards will be allowed to be erected. Due diligence has verified that converting an existing digital printed vinyl billboard to an electronic billboard can increase its revenue by a factor of seven (7X). This a very significant increase in any business.

Competition:

Daktronics, Lighthouse, Yesco, Barco, Multimedia

Distribution/Marketing Plans:

Direct sales to outdoor advertising companies and some use of reps in selected markets.

Management Team:

The management team is a market driven group of seasoned executives:

President and CEO - Anthony C. Materna

Mr. Materna has enjoyed a twenty year career in high technology and is the veteran of four previous start-ups. His most recent position was as president, CEO and founder of Duke Communication, a manufacturer of hand-held network test instruments.

Company Profile:

Address:
24272 Sunnybrook Circle

Forum Participants:
Tony Materna, President
Karl Boldt, Exec. Vice President

Phone:
(818) 613-7600

Fax:
(949) 215-4792

Sector:
Media, Electronic Billboards

Homepage:
www.vis-displays.com

Legal Form:
S Corporation

Amount of Capital Raised:
$400,000

Date Established:
May, 2003

Funding Sought:
$750,000

Number of Employees:
9

Current Investors:
Pasedena Angels

Stage of Development:
Early Stage

Executive Vice President of Marketing - Mr. Karl Boldt

Mr. Boldt has held sales and marketing management positions in the LED and display industry over the last twenty-two years. As President and founder of Pinnacle Display Products, Mr. Boldt brought the million dollar United Center banner sign project from conceptual proposal through design, development, and production, to installation and operation in just eight months.

Director of Engineering - Mr. Andrew Lisiecki

Mr. Lisiecki has a thirty year record of achievement in engineering management of the development of medical and commercial products. He led the development of the system electronics for the United Center LED banner sign for Pinnacle Display Products.

Chief Technology Officer - James Johnson

Mr. James Johnson was the Engineering Manager and co-founder of Jet Equipment Corporation that built the characterization table used for the United Center banner sign. Mr. Johnson not only developed the operational software for the X-Y characterization table, but also is an expert in image technology and color systems.

Manager of Software Development - Mr. Bill Bracken

Mr. Bracken brings over twenty years of high level software program development experience to the team, with the development of the system controller programming for the United Center banner display as part of his repertoire. He has worked on several complex projects in medical electronics within budget and development time constraints.

Material and Production Manager - Mr. Joel Zara

Mr. Joel Zara has managed electronic component sales offices for some of the largest electronic component distributors in the U.S. He was the founder of Progressive Technologies, a company focused on turnkey purchasing and production of PCB assemblies

Mechanical Design - Curt Deckert

Mr. Curt Deckert holds a BS and MS in Mechanical Engineering and a PhD in R&D Business Management. He is a Co-Patentee with Mr. Boldt on the "LED Module with Holographic Lens Element" - Patent (assigned to VIS).

Director, New Business Development - John Derewonko

Mr. John Derewonko holds a BS Electrical Engineering. He has held marketing and sales management position in both large hi-tech companies as well as start-ups. Mr. Derewonko has particular expertise in computer networking.

Fourth Year Revenue & Earning Projections:

In millions.

	2004	2005	2006	2007
Sales	$4.44	$34.60	$99.94	$205.90
Exps.	$6.96	$27.29	$64.85	138.57
Profit	-$2.52	$7.31	$35.09	$67.33

Technical Aerodynamics

Company Overview:

Tech Air's goal is to carve out a section of the $150 market for high performance fans and blowers. We are a group of business professionals who are intimate with existing fan customers, and experienced designers with extensive fan product realization. Our company designs and develops high performance ducted fans. We currently market our fans and ship prototypes to customers. We plan to bring production fans to market at the end of 2004.

Product/Technology Description:

Every ducted fan by Tech Air has superior air delivery. To make a high performance fan we use premium components and test product extensively. Tech Air fans are hardened to pass tough telecomm/datacomm standards. The fans range from 70 to 500 CFM, and up to 2 inches of water. All fans are DC. To view the products, visit the product section at http://www.techaire.net/. One part of our value proposition is the ability to bring high performance products to market that will pass very tough telecommunications standards.

Industry Overview:

The potential market for Tech Air fans is $150M total, and has 2 large competitors. Customers will include datacomm makers (Cisco, Sun, etc.), telecomm makers (Lucent, Nortel, Alcatel) and other "large box" makers. The design owners at these customers comprises a small market group, with less than 1000 thermal designers and mechanical engineers controlling the print positions for and an estimated 60% of the total market. A part of our value proposition is that we have existing relationships with this small group of design owners. We not only know where they work, we also know who they are and what they want. Since we know what they want, we designed products directed towards their applications, which is also a part of our value proposition. Several of our US contacts have been pushing us to get product to market.

Competition:

Comair Rotron owns 31% of the market; ebm/Papst owns 38% of this market, with the rest of the market served by several Asian sources. US based Comair Rotron has a broad range of fan products. Since 2002, Rotron eliminated 5 of their 7 applications engineers, and laid off several US designers, leading customers to complain about lack of service and lead-times. German based ebm/Papst is solid provider of hardened fans and blower. Both manufacturers are changing their focus towards HVAC. The largest Asian vendor of fans in this market is Nidec.

Company Profile:

Address:
3658 Fairway Drive
La Mesa, CA 91941

Forum Participants:
Thomas Hanlon, Founder
Mike Turner, Sales and Marketing

Phone:
(619) 248-4344

Fax:
(619) 713-2318

Sector:
High Tech

Homepage:
www.techaire.net

Legal Form:
Sole Proprietorship

Amount of Capital Raised:
$35K

Date Established:
12/30/2002

Funding Sought:
$260K, First Round

Number of Employees:
1

Current Investors:
Self Funded

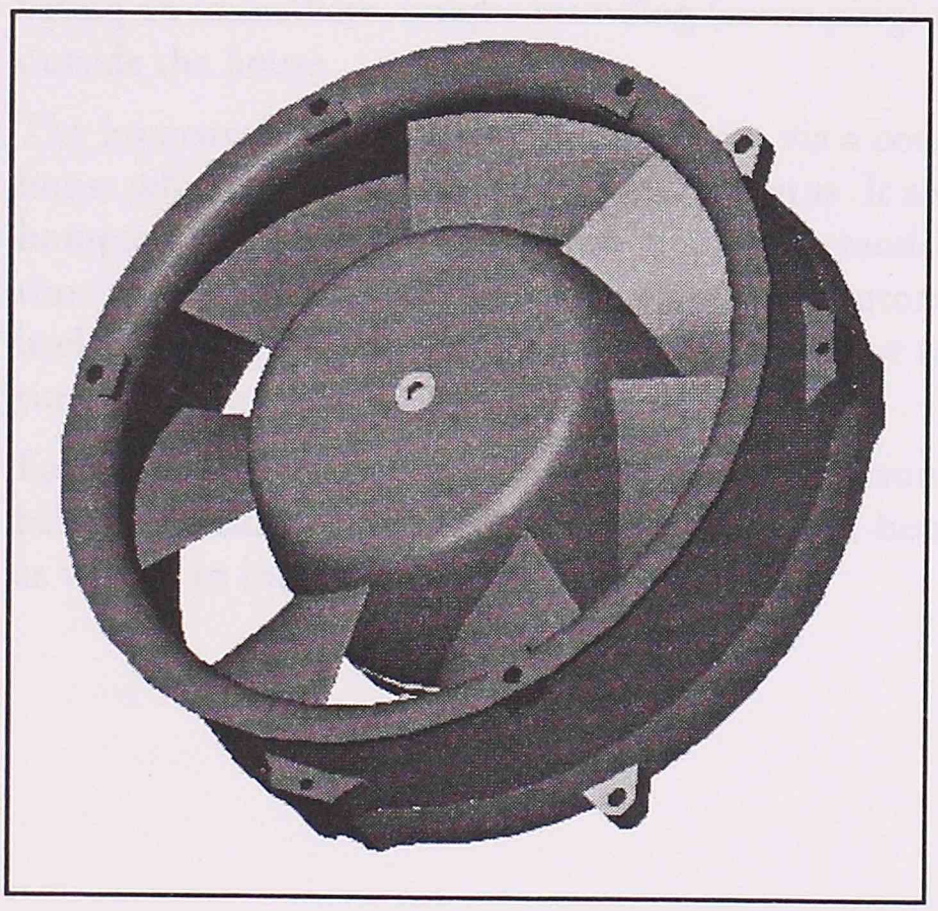
Stage of Development:
Sampling to Customers

Distribution/Marketing Plans:

Sales channels include direct and distribution sales. Comair sells about 50% of their product through distribution channels, and ebm about 70%. We will handle California customers directly, and use Sales Reps in the rest of the country. The distribution sales channel can be covered well by 3 national distributors like Arrow, Avnet, etc, and provide excellent revenue refuge when OEM markets become volatile.

Fifth Year Revenue & Earning Projections:

		2007	2008
INCOME	SALES	$ 4,829	$ 6,675
	TOTAL INCOME	$ 4,829	$ 6,675
EXPENSES			
	COGS	$ 2,366	$ 3,291
	GSA	$ 1,261	$ 1,506
	CAPEX	$ 145	$ 85
	TOTAL EXPENSES	$ 3,772	$ 4,882
	NET CASH FLOW BEFORE TAXES	$ 1,057	$ 1,793



Management Team:

Tom Hanlon, Founder

Tom blended creativity and common sense to bring products to market for 24 years. He focuses on building complete customer relationships. Over the years, his approach built a solid list of customers for fan products. His successful management experience includes tenures at Comair Rotron, IMC Magnetics, NMB Technologies, and NASA/Ames Research Center. He has a Bachelors degree in Economics from UC Berkeley, and is Level 4 Certified in Japanese.

Phillip Bradbury, Aerodynamicist

Phil is an intense designer and holds several patents for impellers. He wrote a computational fluid dynamics software that he uses to design fans. His design experience includes tenures at IMC Magnetic and Sunstrand. Phil earned his BSME at the University of Illinois

Jim Hanlon, Mechanical Engineer

Jim is a complete designer, comfortable in either minute detail or broad vision. His original designs and patent work began in designing aortal valves, so he keeps us honest when it comes to reliability. He writes some really nice documentation. Licensed Professional Engineer, and earned both his MSME and his BSME at the State University of New York, Buffalo.

Advisors

Pat De Marco, Pres. KL Industries, Former President, Comair Rotron

Mike Turner, Pres, Business Knowledge Management, Former Marketing Manager, Comair Rotron

JD Hwang, Pres, Indy Bearings, Shanghai China

Jeff Bowman, Former Regional Manager, IMC Magnetics

Blanche Naguib, Alcatel Purchasing Manager

RJE Technologies, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview

RJE Technologies, Inc. is creating a new world standard in swimming pool security with its patented SonarGuard Pool Security System. It is the only fully automated and invisible system that provides 24/7 protection in any pool/spa size or shape. SonarGuard immediately detects a child falling into the pool or spa while being able to ignore surface disturbances such as wind, rain, or even a ball falling into the pool.

SonarGuard has proven itself with over 100 systems sold during the last 8 months in addition to securing a $2.1 million contract with our No. California dealer. Sales are ramping up with over 100 dealers already carrying our product. The company has received tremendous regional and national news coverage and was just selected by FastCompany Magazine as one of its Fast 50 companies for 2004.

Key Value Proposition

Drowning is the leading cause of death for children under the age of 5. Today's pool buyer or owner is very aware of the issue of safety and wants the best solution to protect his/her children or grandchildren. Today's pool is typically the centerpiece of the backyard entertainment center with a great emphasis on aesthetics. SonarGuard is the only system that is invisible and provides 24/7 detection in any size or shape pool.

Product/Technology Description

The SonarGuard system is an automated electronic security system utilizing proprietory and patented sonar technology. The system provides 100% detection in any size/shape pool and/or spa, is invisible, and operates 24/7.

SonarGuard creates an invisible underwater "sonar-net" below the water surface.

When a child falls into the pool or spa, the "sonar-net" is broken, activating an immediate, unique sounding (sonar ping) alarm inside and outside the house.

The homeowner interfaces with the system via a control panel in the house which provides continuous system status. It also allows the homeowner to put the system into temporary stand-by for a selected time period when using the pool. SonarGuard automatically rearms itself after alerting the homeowner 3 minutes prior to the stand-by time elapsing.

Each system includes a control module with electronics and back-up battery, transducers (underwater sensors), and in-home control panel as well as an indoor and outdoor horn.

Company Profile:

Address:
15375 Barranca Parkway,
Ste. B107
Irvine, CA 92618

Forum Participant:
Steve Herring, VP Marketing

Phone:
(949) 727-9399

Fax:
(949) 727-0070

Homepage:
www.sonarguard.com

Sector:
Electronics, Security

Legal Form:
C Corporation

Amount of Capital Raised:
$500,000

Date Established:
Nov. 1999

Funding Sought:
$1,5 million

No. of Employees:
8

Current Investors:
4

Stage of Development:
Early Stage

Industry Overview

Over 350,000 new in-ground pools are being built annually worldwide with an existing worldwide install base of 8.3 million units. California alone has an install base of almost 1 million units with Florida in second place with almost 750,000 units.

SonarGuard's initial target market is the top 25% of in-ground pools, which we define as pools costing $45,000 or above.

Our annual addressable market is over $1 billion.

Competition

While there are no products offering all the benefits of SonarGuard®, there are competing products comprise of physical barriers or pool alarms.

Our primary competition are physical barriers such as pool fences or pool covers.

Pool fences destroy the aesthetic beauty of a swimming pool, which is typically the centerpiece of the "backyard entertainment center". In addition fences have demonstrated to have a high failure rate as recently documented by an Australian survey which found that 50 to 80% of backyards were found to be "unsafe" due to malfunctioning gates, latches, etc.. This is especially significant considering that Australia requires that every pool be surrounded by an "isolation fence". Automatic pool covers can only be installed in perfect rectangular shaped pools, which make up less than 20% of new pools. Manual pool covers are ineffective since it takes a considerable effort to remove and reinstall them often resulting in the cover being left off during nice weather.

The detection alarms on the market are generally low-cost single-sensor based products which suffer from the false alarm syndrome.

Distribution/Marketing Plan

SonarGuard® is sold wholesale to companies that provide retail, turnkey installation for pool owners. The company has three basic types of marketing and distribution relationships all of which will be assisted by RJE inside sales personnel assigned to them based on geographic regions.

SonarGuard® Certified Dealers (SCD)

SCDs are the entities that sell SonarGuard® to the end user as well as perform installation and service. RJE trains and certifies personnel with these companies in the technical aspects of the product (installation and service) as well as the business side (sales, demos and use of SonarGuard® marketing tools)..

SonarGuard® Design Associates (SDA)

SDAs are primarily professional landscape architects, architects, custom pool designers as well as home automation system designers/integrators. They recommend and specify products, technologies and ultimately design the landscape and "backyard entertainment center". This marketing relationship type has proven to be very effective because of the design flexibility of SonarGuard® that preserves aesthetics.

SonarGuard® Affiliates (SA)

SAs are members of the high-end pool and spa ecosystem that communicate on a regular basis with customers in the target market segment. These "Centers-of-influence can recommend SonarGuard® as well as refer leads to the company or local dealer. SAs consist of custom home builders, real estate professionals, security system dealers, smaller pool/spa service companies.

RJE will develop a channel for SonarGuard® Enabled" Product Integrators (commercial/residential security providers as well as home automation equipment manufacturers) and a channel for OEM/Private Label Product Integrators in the advanced phase of our distribution strategy.

Revenue & Earnings Projections

Projections	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$2,618	$6,967	$18,745	$46,546	$92,597
EBITDA	$(743)	$372	$3,904	$16,267	$29,263

Management Team

In addition to our seasoned management team, RJE has an active and exceptional advisory board, which includes industry leaders in pool building, design, marketing, and manufacturing.

Robert Jechart, CEO & President

Successfully started and grew several businesses utilizing sonar technology. Named to Inc500 list of fastest growing private companies in U.S..

Chuck Woolstenhulme, COO

Over 20 years experience in pool industry. Was VP of leading pool equipment manufacturer where he was instrumental in growing company to $75 mil in sales and participated in sale of company.

Steve Herring, VP of Sales/Marketing

Over 18 years of senior level experience in building sales and marketing organizations with 10 years as founder of security systems products company.

Ali Abdelghani, Chief Engineer

Over 25 years experience in developing ultrasonic technology. Received the California Governors Award for best product design of the year.

Horace Hertz, CFO

Over 30 years senior financial experience. Held CFO position with public and private companies and was partner with Deloitte & Touche.

Sicommnet

Company Overview

Sicommnet develops and markets an internet based enterprise level e-procurement solution for public sector agencies and corporate businesses

Buyers create a competitively bid solicitation on-line, send it on-line, receive their responses on-line, and issue the award on-line. Buyers access their vendors as well as Sicommnet's 30,000 registered vendors. Sellers receive respondable electronic notification of business opportunities from the other businesses and the public agencies using Sicommnet's solutions.

Sicommnet business model makes its solution available at no charge to both the public agencies and the vendors. Revenue is generated by charging the vendor who wins a purchase award a transaction fee equal to percentage of the purchase award.

Product/Technology Description

The e-procurement solution is hosted by Sicommnet, as the Applications Service Provider. Sicommnets servers are hosted at LEVEL 3. Sicommnet is the developer and owner of the 3 million+ lines of code. The system is built on an Oracle database running on Sun servers, and has been in production for over 3 years. Over $1B in purchase awards have been made on this system.

Industry Overview

The B2G annual purchase level in Sicommnet's sector exceeds $1 Trillion

The Federal Government has mandated e-procurement as the process of choice for government acquisitions. There are in excess of 100,000 public agencies, most of which are experiencing significant financial pressures to cut costs in staffing, business processes and costs of goods and services procured. The Sicommnet solution meets these needs and financial constraints.

Competition

Sicommnet currently services 3 of the 10 states that have deployed e-procurement. The competition in the other 7 states includes SAIC, Accenture, AMS, KPMG and Syscom.

Sicommnet's competition has strong marketing and lobbyist resources that are able to influence political decisions although the competition also has high overhead costs which prohibits them from offering their solutions without substantial start up costs.

Company Profile:

Address:
2918 Fifth Avenue,
Suite 210
San Diego, CA 29103

Forum Participants:
Michael Elliott - Chairman/CEO
Paul McEneany - VP Mktg./Sales

Phone:
(619) 294-9191

Fax:
(619) 296-8697

Homepage:
www.sicomm.net

Sector:
High Tech/ Software

Legal Form:
C Corporation

Amount of Capital Raised:
$4.5M

Date Established:
3/5/98

Funding Sought:
$3M

Number of employees:
9

Current Investors:
Management—$1.0M
Founder/Family—$ .5M
Mktg. Partner—$1.8M
Angles—$1.2M

Stage of Development:
2nd Round

Distribution/Marketing Plans

Sicommnet markets its solution both directly and through partners. Partners are regionally based and sell to the public agencies in their region.

Third Year Revenue Projection:

2004—$6M Revenue

2005—$24M Revenue

2006—$60M Revenue

Management :

Dr. Michael Elliott, CEO;

Larry Dober, COO;

James Beran, CIO;

Paul McEneany, VP/Marketing and Sales.

Board of Directors:

Dr. Michael Elliott, Chairman;

Lee A. Grissom;

Dr. Charles Shockley;

Richard Slansky;

Scott McClendon.

Wellspring International

UCSD CONNECT
where entrepreneurs come for results

Company Overview:

There are approximately 34 million apartment residences in North America. Fewer than 3 million are individually submetered for utilities. The utility bills of the other 31 million apartments are paid by the owners, who recover the expenses through rent increases. However, utilities are rising 8-10% per year, and sustainable rent increases are currently around 3% per year. To remain competitive, apartment owners need to unbundle utility expenses from the rent. Doing so increases resident awareness of utility costs, decreases rent hikes and promotes conservation.

Wellspring Wireless Utility Services is the nation's leader in utility cost recovery. Wellspring is the only complete water, gas, electric and energy metering sub-utility offering a solution for every building type. Its AquraTM line of utility expense recovery systems combines wireless metering technology and "read-bill-collect" services with the finest resident care.

There is nothing apartment owners can do to add more capitalized value to their assets than shift utility expenses to the resident. Averaging 97.6%, Wellspring boasts the highest utility collection rate in the industry. And with its shared revenue program, Wellspring can submeter a property with no out-of-pocket expense incurred by the owner.

Product/Technology Description:

Wellspring's Aqura submetering system has four basic components.

1. SIKA Flow Sensor - IAPMO-listed water flow sensing assembly, rated at 8 gallons per minute (gpm). The flow sensor's bearing surfaces are lubricated and cooled by an integral water pump. Sensor design life is more than 20 years.

2. Aqura Transmitter - Inside the Aqura Transmitter, a hall cell and thermistor work with a microprocessor to record water consumption and energy use. Data is encoded and transmitted by radio using an encrypted protocol 3x daily. Radio transmissions last 0.2 seconds.

3. Aqura Transceiver and Base Station - Aqura Transceivers collect transmitter data 3x daily and send this information to the project base station. Transceiver data arrives at the project base station via spread spectrum radio transmission.

4. Aqura Remote Software - Consumption data for each submeter is solicited weekly, then recorded and posted for residents and property owners on the Wellspring website. Diagnostics identify and report plumbing-product malfunctions such as leaks. Data is transferred monthly to an AS-400 based utility billing system, from which bills are mailed.

Industry Overview:

Based on the 2000 census, the American Commerce Department and Canadian Census reveal there are approximately 29.4 million multi-

Company Profile:

Address:
6333 Greenwich Drive
Suite 140

Forum Participants:

Phone:
(858) 824-0900

Fax:
(858) 824-0901

Sector:

Homepage:
www.wellspringwireless.com

Legal Form:
C- Corp

Amount of Capital Raised:
$20M over 4 Series

Date Established:
2000

Funding Sought:
$2.5M Series D - $10M+ of Project Finance debt

Number of Employees:
35

Current Investors:
Nth Power,
Batelle Ventures,
Expansion Capital,
North Atlantic Capital,
Calvert Group,
EDF,
Archstone-Smith

Stage of Development:
Mezzanine - Growth

family units in the US and 4.2 million in Canada, for a total of 33.6 million apartment units in North America. The average growth of apartment inventory over the last 10 years is 1% per year. At this rate, the available market will grow to over 35 million units by 2008. More than half of these apartments are in multistory buildings (~60%), while the remainder is garden style apartments (~40%). Wellspring "lives" in both markets, but is the only submetering provider for multistory buildings.

Wellspring is focused on the emergence of an apartment submetering market, which seeks to shift the cost of all utilities to residents based on metered consumption. While most gas and electric consumption inside apartment units is metered by local utilities, water and central boiler/chiller energy are usually master-metered. Therefore, the submetering market is dominated by water, domestic hot water energy, and heating or cooling energy supplied by central boilers and chillers. The shift to submeter and recover the cost of master-metered utilities provides a **potential market of $17 billion in North America alone,** of which nominally $12 billion is for water, and $5 billon is for energy.

Competition:

At present, there are 25 metering service companies we know of who provide or broker metering services. The leading firm is Viterra, who has grown by acquisition of smaller companies, billing around 510,000 customers. National Water & Power (NWP) and Utiliman Systems each bill 495,000 apartment units with Master-Tek (owned by Southwest Water, a utility) billing 135,000. The rest are smaller local or regional firms operating with billing systems that run on personal computers. Annual sales of these second tier companies are under $5 million each, billing less than 50,000 apartment units per year.

Metering service competitors use three schemes to support their tenant utility billings:

1. Conventional utility meters common in new construction and garden style apartments.

2. Conventional utility meters used to measure hot water consumption only (Total water use is allocated based on each apartment's relative use of hot water).

3. No measurement technology whatsoever. Other than Wellspring's Aqura system, no technology exists to measure consumption in multi-story buildings with central hot water heaters. Consequently, water, sewer and hot water energy costs are not metered, but instead allocated (estimated) under a program called Ratio Utility Billing System (RUBS). Allocation is based on a formula that factors in (among other things) total square footage, number of occupants and number of bedrooms/bathrooms. Allocation formulas vary widely and usually result in controversy, lowered collection rates, and in some cases, occupancy rates.

Most owners prefer to submeter because there is less tenant controversy over the shift in utility expense when each resident knows they are paying only for their own measured consumption. Prior to Wellspring's Aqura system, RUBS had been the only practical method available for transferring the water and sewer costs in multi-story buildings.

Distribution/Marketing Plans:

In the Sunbelt, Wellspring sells its system and services through WEB Services, the nation's second-largest laundry service provider, serving 3.2 million apartment units with shared revenue contracts. Wellspring is the only competitor offering shared revenue contracts, just as WEB does for laundry, which allow the owner to gain the benefits of submetering without incurring any capital cost. Under a shared revenue contract, a third party business acquires the installed Aqura submetering system and enters into a shared revenue agreement with the building owner, buying metering services from Wellspring. The resultant project cash flows amortize the Aqura system installed cost, pay for read-bill-collect, maintenance and diagnostic services, and provide overage to Wellspring. This "$0" capital approach has a great deal of appeal, especially with smaller mid-market owners who make up 60% of the market potential.

In the mid-Atlantic, Northeast and Midwest states, Wellspring sells to owners directly and in partnership with selected local submetering service companies

Wellspring also sells its products through selected distributors in some of its western regions.

Fifth Year Revenue & Earning Projections:

2008

Apartments installed	Revenue	EBITDA	Net Income
145,000	$63,099,000	$32,202,000	$16,749,000

Management Team:

Wellspring International's executive team brings over 50 years of experience in performance contracting, plumbing and water conservation industries. All employees and advisors are company stockholders.

Wade W. Smith, CEO

Mr. Smith has maintained a high profile track record for over 25 years in management of high technology capital equipment and building/consumer products businesses. He has demonstrated his highly-developed management skills as the Executive General Manager of American Standard's U.S. Plumbing Division, Trane Company's Performance Contracting Division, and Trane's International Residential Air Conditioning business. Each of these was a business development challenge, with excellent results. Mr. Smith is a Registered Professional Engineer.

Brian Brittsan, President

Prior to co-founding Wellspring International, Mr. Brittsan served as National Director of Water Management Business Division for American Standard, where he led the development of selected conservation technologies, marketed them successfully, and developed strategic alliances to better exploit local, state, and federal programs. He also adapted the Performance Contracting Process to water projects for the commercial market.

Blaine Knoll, CFO

Mr. Knoll was previously CFO for a major general contracting firm. He also previously managed project finances for Disney.

Extricom, Inc.

UCSD CONNECT™
where entrepreneurs come for results

Company Overview:

Extricom, Inc. is an early stage wireless-LAN (WLAN) company seeking between $5m and $8m in operating capital to continue to propel market penetration in North America, and initiate penetration in AsiaPAC, while continuing product development. Management feels this round should be sufficient for the company to get to first earnings.

Extricom introduces a new, break-away WLAN architecture for the enterprise that eliminates the coverage and capacity limitations of traditional WLAN architectures and the need for cell planning and site surveys-the most expensive aspect of owning a WLAN. While some have recently jumped on the bandwagon do introduce ideas and wizardry that reduce dependence on site surveys, they do so at a great expense-a big reduction in network performance and capacity. These parameters are becoming increasingly important as adoption of the standard continues to catch and gain popularity in the enterprise. Extricom literally eliminates the need to tradeoff coverage for performance.

The company's technology is backed by ten provisional patents related to the ability to deploy a network that operates unaffected by co-channel interference, at full modem speed, ubiquitously (i.e., with perfect coverage), and unaffected by the "edge user" condition. Extricom's ability to sharply increase capacity and scalability in the face of a hostile RF environment positions it for market leadership in a fast growing space.

Product/Technology Description:

Extricom's WLAN technology is specifically designed to provide ease of deployment, seamless and secure mobility, and high-performance in the large-scale enterprise at a very low total-cost-of-ownership (TCO). Further, because of the low latency and low jitter nature of the technology, and its ability to support very low transmission power, Extricom's topology is especially suited for delay-sensitive applications, such as VoWLAN. Extricom's differentiated approach to WLAN solution is built from the ground up for a converged voice and data environment, for verticals where simultaneous wire-like voice and QoS-level data are required.

Extricom uses standard Wi-Fi protocols (IEEE 802.11) and standard Ethernet beyond the wireless Switch. Therefore, the WLAN is completely client-agnostic and will support any standard, off-the-shelf client and network interface card (NIC); no modifications to the enterprise Ethernet are required. Extricom's switch and access point (AP) products combine hardware and software, based on low-cost, small-footprint FPGAs, and specialized link-optimization algorithms.

Company Profile:

Address:
1042-B N. El Camino Real,
Encinitas, CA 92024

Forum Participants:
David Barach, EVP

Phone:
(760) 942-3820

Fax:
(760) 942-3816

Sector:
Wireless Communications

Homepage:
www.extricom.com

Legal Form:
Corporation

Amount of Capital Raised:
VC funded, raised $3m

Date Established:
Feb/2002

Funding Sought:
$6m to $8m

Number of Employees:
22

Current Investors:
Magnum Communications Fund (www.magnum-comm.com)

Stage of Development:
Early/"B" round

Industry Overview:

The WLAN market is composed of three segments: enterprise networking, public access, and home networking. The WLAN market is rapidly gaining broad acceptance and is on a sharp upward trend.. Cahners In-Stat Group predicts that the market for WLAN equipment - including NICs, access points and bridges - will be $4.6 billion in 2005, up from $623 million in 1999. IDC estimates that worldwide revenue for the 5GHz WLAN segment alone will reach $1.2 billion this year.

Extricom initially targets the enterprise networking where large-scale deployments entail large-scale problems. In fact, the first segment of the market embracing high-speed wireless networks is the enterprise. Where demand will be greatest. Medium to large size businesses allocate budgets for upgrading their internal network infrastructure, and companies that are more "tech-savvy," will be the first to jump on the WLAN bandwagon. The annual sale of WLAN equipment in the enterprise is projected to hit more than $3.7 billion this year. North America is the predominant enterprise and public area access market. The strength of the North American enterprise is largely derived from its corporate culture.

While a number of established and startup companies have joined the WiFi bandwagon, they have been largely undifferentiated in that they more or less solve the same problems by and large the same way. What remain, are still the issues of deployment, mobility, scalability, voice-data convergence, power usage and cost. These have not yet been adequately addressed in the market and remain serious obstacles to wide-scale deployment and acceptance in the enterprise.

Extricom takes a completely fresh approach to WLAN deployment; the company's patent-pending technologies require no RF expertise during installation and are easy to manage and maintain. The company's solutions feature the best of the wired and wireless worlds-the simplicity, stability, and speed of wired networks, together with the mobility and ubiquity of WLANs.

Competition:

The space is occupied by several large traditional infrastructure players, and a host of small, and very small, startups. Some are focused on complex radio and antenna technologies, while others focus on resident software in the client or other software solutions that have inherent limitations on performance. One characteristic that spans most of the market participants, is the reliance on cell-planning. Cell-planning in an indoor environment creates six, inherent, obstacles to mainstream adoption of enterprise WLANs, and is therefore counter-productive. These obstacles include: a need to choose between capacity or coverage; inability to scale; latency-plagued mobility; inability to converge data and voice in a coincident network; no security at AP level, and highly complex development and cost. Innovations within the cell-planning environment have mitigated some, but not removed any, of these obstacles. Though most competitors in the space have moved to what is currently dubbed, "thin AP," for the most part they remain limited by the above obstacles. So long as these obstacles remain essentially in place, mainstream adoption of enterprise WLANs cannot reach its full potential

Extricom views the only way around these limitations is to consider a shift in thinking and architecture by taking a holistic approach, and a departure from the cellular mindset, when solving the inherent problems with WLAN.

Distribution/Marketing Plans:

Extricom views the market from the perspective of OEM alliances. Extricom is aggressively poised to capture substantial share in part due to its unique business model. Rather than compete with the large traditional incumbents in the space, the company elected to go with a technology partnership and private-label relationship to large enterprise OEMs, as a key enabler, so that they can offer their customers much-enhanced WLAN products. Extricom has successfully demonstrated the attractiveness of this model with several top-tier North American OEM customers.

Management Team:

Gideon Rottem, CEO, Co-Founder

Gideon has over 15 years of managerial experience in the communications and finance fields. Prior to co-founding Extricom, he was formerly CEO of Lucid Voice, an IP convergence company, and VP Bus. Dev. at CellPay, an m-payment Company. Before that, he was Deputy Director General of the Israel Antitrust Authority, and an investment banker with the MENA Capital Group in Washington, D.C. Gideon holds a B.A in Economics and History from the Hebrew University, an MALD from the Fletcher School at Tufts and Harvard Universities, and a JD from Georgetown University Law Center. He is a member of the New York and Israel Bar Associations.

Eran Shpak, CTO, Co-Founder

Eran has over 20 years of R&D experience in the fields of spread spectrum radio, networking, protocols, embedded systems, software & hardware and communication systems. Eran was the founder and CTO of Lucid Voice, an IP convergence company. Prior to Lucid Voice, he was for 6 years at WaveAccess, a WLAN systems company. At WaveAccess he served as VP Engineering from its inception, through its acquisition by Lucent. While there, he was an active voting member of the IEEE 802.11 WLAN standards committee, and was involved in the early formation of the standard. Eran managed research and development teams for the Israel Ministry of Defense, Department of Electronic Research, and holds B.Sc. and M.Sc. degrees in Electrical Engineering from the Technion. He is a recipient of the Israel Defense Award.

David Barach, EVP

David has been involved with technology companies for over 20 years as manager and executive, including roles in engineering, business development, marketing, and sales. Prior to Extricom, he was with Brightcom, an emerging Bluetooth company, and oversaw its sales and marketing activities in North America. Earlier, he founded and headed cellular chip company, COM-Solutions, which had key strategic relations with major partners, including Philips, Samsung, LSI Logic and Cadence, and led it to profitable growth before its sale. He held various management and engineering roles at Global Microwave and CommQuest, having been involved both on the technology side and with strategic turnaround and financing. David started his career as a design engineer with Hughes Microelectronics, doing ASIC design and design tool development. He holds a B.Sc. degree in Electrical Engineering from UCSD, and is a graduate of San Diego State University's MBA for Executives program.

Air-Trak

Company Overview:

Air-Trak's Cloudberry ™ tracking and messaging services are first-in-class with medium size fleets, in part due to a strong relationship with NEXTEL, the number one B-to-B cell phone network provider. For as little as $10/Mo and a GPS-enabled phone, users can have features superior to Qualcomm's OmniTRACS. Sales are leveraged because each customer generates recurring monthly revenues. Air-Trak also offers compatible embedded terrestrial and satellite tracking and messaging products.

Product/Technology Description:

The three parts to the technology are the on-board technology, the WEB NOC technology, and the User/Client software. The on-board technology is JAVA software (for phones), OR embedded-technology GPS modems, OR satellite antenna/terminals. Air-Trak. has its own high-availability NOC that hosts a SQL data base and 5 layers of applications. The Cloudberry client has the most advanced user interface and has been integrated with the leading fleet routing software packages.

Industry Overview:

Local Delivery Market including Utilities, Transportation, Retail, Fuel, Hazardous Materials is over 15 Million Vehicles. Wireless tracking increases ROI through higher dispatch efficiency, employee compliance and safety.

Competition:

Cloudberry offers the most affordable fleet tracking and messaging solution for mid-size fleets. Users can mix embedded terrestrial and satellite tracking units in the same fleet with GPS-enabled cell phone users. Air-Trak's strong partnerships are with ESRI, the leading GIS company; MSV, a satellite communications provider; and NEXTEL

Distribution/Marketing Plans:

Fifth Year Revenue & Earning Projections:

Fifth year sales projections $57 M. , revenue projection $ 13M.

Management Team:

Dennis Clark- co-founder, Chairman. President of Integrated Microwave, the "incubator" of Air-Trak

Bill Guetz - President. Founder of cVideo, a supplier to ADT in the security industry. Former President of QSA.

Marc Bernard - CTO. co-founder of Air-Trak 20 years experience. President S/W development company BS, CS and Biology UCSD. 2 patents

Company Profile:

Address:
11353 Sorrento Valley Road

Forum Participants:
Bill Guetz, Marc Bernard

Phone:
(858) 677-9950

Fax:
(858) 677-9959

Sector:
Fleet tracking and messaging services

Homepage:
www.air-trak.com

Legal Form:
Corporation

Amount of Capital Raised:
$1.3 M

Date Established:
1999

Funding Sought:
$ 2 M

Number of Employees:
12

Current Investors:
Dennis Clark,
Air-Trak employees,
Friends and family

Stage of Development:
Early

2004
Life Sciences & High-Tech Financial Forum Sponsors

Corporate Sponsors:

Pfizer

MoFo
MORRISON & FOERSTER LLP
Lawyers for the global economy℠

Partnering Sponsors:

ComericA

HellerEhrman ATTORNEYS
Challenging the laws of convention.™

MARSH

High-Tech Dry Run Sponsor:

KPMG

Life Sciences Dry Run Sponsor:

ERNST & YOUNG
FROM THOUGHT TO FINISH.™

Media Sponsor:

THE DAILY TRANSCRIPT
SAN DIEGO'S BUSINESS DAILY

Contributing Sponsors:

BURNHAM REAL ESTATE

TECH COAST ANGELS

Knobbe Martens Olson & Bear LLP
Intellectual Property Law
Newport Beach San Diego San Francisco Los Angeles Riverside
kmob.com

Founding Sponsor of Global CONNECT:

Sun microsystems

UCSD CONNECT thanks its 2004 Corporate Sponsors:

Platinum
Barney & Barney LLC
Forward Ventures
Gray Cary
KPMG
MARSH Inc.
Morrison & Foerster LLP
Pfizer Inc

Gold
Cooley Godward LLP
Deloitte & Touche
Kintera
Knobbe Martens Olson & Bear
LifeSciTech
Luce Forward
Rudolph and Sletten
San Diego Tech Center
Sempra
SPAWAR
The Silver Company
Townsend and Townsend and Crew LLP

UCSD CONNECT™
where entrepreneurs come for results

8950 Villa La Jolla Drive, Ste. A-124
La Jolla, CA 92037
Tel: (858) 964-1300
Fax: (858) 964-1301
connectinfo@ucsd.edu
connect.org

SP04-4066